

AUGUST 29, 1931

SEP 1 1931

The Weekly Magazine for  
MARKETING EXECUTIVES

# **SALES** *management*

**Peerless Motors Test  
Plan for Selling Cars  
by Mail . . . . .**

**Why Everedy Sales  
Did Not Slump During  
the Depression . . . .**

**Can America Solve Her  
Surplus Goods Prob-  
lem by Aiding China?**

TWENTY CENTS

BLEAK?

BARREN?



YIELD PER ACRE		
1930		
CROP	VT.	U. S.
Corn	43 bu.	20.6 bu.
Wheat	20 "	14.4 "
Oats	39 "	33.7 "
Barley	30 "	26.2 "
Buckwheat	20 "	13.6 "
Potatoes	200 "	106.4 "
Hay	1.62 tons	1.31 tons

Vermont soil is more fertile, acre for acre, than that of the country at large. Vermont farms, as shown in the table at the left, exceed the national average in every major crop.

Vermont's yield in 1930 for the seven staple crops given herewith was \$21,110,000. This can have but one meaning for the national advertiser: the Vermont farmer receives a higher return for his labor than does the farmer of other states.

For every dollar brought into Vermont by its higher-than-average ability to create, there is another waiting to be traded for the products you have to sell.

A single group of dailies brings the advertiser into close contact with a population able to buy. A well-diversified, balanced market, easy and inexpensive to sell, Vermont is covered in each of its six trading areas by a member paper of Vermont Allied Dailies. Ask any paper for detailed market information.

VERMONT ALLIED DAILIES  
BARRE TIMES—BENNINGTON BANNER  
BRATTLEBORO REFORMER—BURLINGTON FREE PRESS  
RUTLAND HERALD—ST. JOHNSBURY CALEDONIAN-RECORD

# USERS OF OFFSET PAPERS

Have you ever been up  
against these difficulties?

That one side of the folder does not print as well  
as the other?

That this same side is different in color, thus throw-  
ing your job off color?

That one side of your paper is considerably rougher,  
varying in finish, from the other?

## MEAD

research laboratories have produced  
**SNOW WHITE OFFSET**

a unique Dull Coated special surface size paper  
which overcomes these common difficulties. Its  
smooth coated surface assures a one-sided sheet  
with a finish which will give unexpected brilliancy  
of results and unusual depth in tone.

"A paper deserving your attention"

**THE MEAD SALES COMPANY, Inc.**

CHICAGO, 111 W. Washington St.

NEW YORK, 230 Park Ave.

DAYTON, Callahan Bank Bldg.

THE MEAD CORPORATION, CHILLICOTHE, OHIO



## the great Newark market IS growing

Essex County, New Jersey, wherein is located NEWARK, the new metropolis, is the nucleus of the great Newark Market. Its population increased 27.8% in the past ten years. Twenty small cities within Newark's trading area grew 62.1% in population while the eight largest cities in that area grew 28.5% in the same period. And this market is still growing!

The largest six-day newspaper in the entire country affords thorough, complete coverage of this great market. Its A.B.C. circulation has grown over 43% in the past nine years. In just the last 5 years it has increased 27.21%. It is the real buying influence in the home-life of its market. It is 90% home-delivered and read by more families than any other newspaper published or sold in this territory. It presents an advertising opportunity. Can your product afford to ignore the profits existent within the boundaries of this great, growing market?

### Newark Evening News

EUGENE W. FARRELL  
Business & Advertising Mgr.  
215-221 Market Street  
Newark, New Jersey  
O'MARA & ORMSBEE  
General Representatives  
New York, Chicago, Detroit,  
Los Angeles, San Francisco

## Survey of Surveys

BY WALTER MANN

### Better Grocery Display Increases Sales 43 Per Cent

"It is common knowledge," says the preface to a survey brochure entitled, "The Effect of Display on the Sale of Grocery Products," "that good display will usually increase the sale of any reputable product. It is almost the sole selling force for many items on which little consumer advertising is done.



Blank-Stoller, Inc.

Walter Mann

tors of the *Progressive Grocer* in 112 grocery stores."

The test was conducted entirely by mail "so that it would be as natural and normal as possible," and the following eight well-known products were selected for the study: Kellogg's Corn Flakes, Borden's Condensed Milk, Dromedary Dates, Clicquot Club Ginger Ale, Campbell's Soup, Gold Dust, Bon Ami and Knox Gelatine.

The grocers taking part were divided into two groups. Four products were tested by the first group of fifty-four stores, and four different products by the second group of fifty-eight stores. They were all well distributed geographically and represented a fair cross-section of the better-class grocery stores reached by the *Progressive Grocer*.

The test was simple and accurate. Each grocer kept a careful record of sales for one week with merchandise in its usual place. The second week he gave better display to the four products and again kept a careful record of sales. He was specifically requested not to put any other special effort behind the products in order that the test could be confined to the effect of display alone. This request was followed with one or two minor exceptions, so that the results can be considered as an accurate indication of what happened when well-known merchandise is also well displayed.

The results brought out some very interesting facts. On one product sales jumped as high as 72 per cent. The smallest average increase for any given product was 32 per cent and the average on all eight items better than 43 per cent.

The products tested in fifty-four stores were Dromedary Dates, Kellogg's Corn Flakes, Bon Ami and Campbell's Soup. In the fifty-eight stores, Clicquot Club Ginger Ale, Knox's Gelatine, Gold Dust and Borden's Milk.

Details are given for thirty-eight of the stores spotted nationally.

While this is great stuff for the manufacturer of counter displays, it is even better stuff for the foodstuff manufacturer who takes it seriously. S. O. S., moreover, predicts that a test of the drug store and hardware (and many other) markets would result similarly.

Write for your copy of this interesting test to Leonard Tingle, publisher of *Progressive Grocer*, 79 Madison Avenue, New York.

### Research on Research

"What—no Rolls Royce?" is the subject of a recent study of research and research methods (with a distinct raspberry flavor) made by the *Chicago American*.

It is called "a symposium on surveys." It might better be called a symposium on sour surveys.

Presumably some surveys are good, for in a recent advertisement the *American* clearly says, "We have no quarrel with surveys adequately made and properly executed. Modestly we confess to having made one or two ourselves," etc. But the collection of cases shown in this booklet protests logically and soundly against accepting too literally the results of surface surveys and the conclusions drawn therefrom.

The major objections offered in this booklet seem to be toward (1) questionnaires sent out by mail because of the inability to get a true cross-section from haphazard responses; (2) the entire "sampling" method—where the survey is too small to truly typify the market under observation; (3) the employment of leading questions on lists of media to bring out a desired answer; (4) the tendency toward exaggeration on the part of responders to all kinds of questionnaires.

Naturally the publishing of these objections is not wholly altruistic, nor is it absolutely without bias. If it had been, there would undoubtedly be a few of the successful type of survey included in the summary to balance off the unsuccessful ones listed therein. Yet S. O. S. believes that the elimination (as nearly as possible) of the faulty technique, against which the *American* protests in this booklet, is a worthy cause. S. O. S. congratulates the *American* for its courage in pointing out these possible pitfalls to the space-buying fraternity.

### Thumbnail Review

*Facts and Figures of the Automobile Industry—1931 Edition*. Presents an analysis of retail automotive data gathered by the U. S. Census of Distribution. Also shows, for the calendar year 1930, highway development in this country and the world, motor taxes, automotive shipments on railroads, markets, production, uses of passenger cars, trucks and buses, etc. National Automobile Chamber of Commerce, 366 Madison Avenue, New York. Ninety-six pages (free).



## What's New

¶ Can America solve her surplus goods problem by aiding China? A plan through which China could be built up as a market for much of our overproduction is set forth in an article by Basil Stevens, on page 308.

¶ What is certainly one of the most radical selling plans ever attempted in the automotive industry is being tested out by the Peerless Motor Car Company. They are now trying to sell cars exclusively by mail. Page 310.

¶ The last of the population studies on the 150,000 group of cities appears this week. Reprints of the entire series will be available September 15 at \$2 a copy, or \$1.50 in orders of ten or more. If you want copies, please write to the editor immediately, as the edition will be limited to 500.

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# Sales Letters

BY MAXWELL DROKE

## Broun vs. Kansas

Heywood Broun looked upon Kansas and found it not-so-good. Moreover, he went a step farther and wrote a piece for the paper in which he expressed his opinion of the state with more candor than kindness.

Now Kansas is hitting back. Paul Jones has done a leaflet captioned "Kansas—The Beautiful," in which Mr. Broun has his ears knocked down and properly caulflowered. The state chamber of commerce is distributing the



Maxwell Droke

answering diatribe by the thousands (millions, for all I know!) through local manufacturing and wholesaling establishments. Any letter straying beyond the borders of the state is likely to carry a "Kansas — The Beautiful" message.

Speaking as one who spent several early formative years on the Kansas prairies (get born into a Methodist minister's family and see the world!) I admire the spirit of the doughty plainsman who sticks a sunflower in his lapel, and goes forth to joust with those who jeer.

I admire the *spirit*, yes; but I doubt the sagacity. After all, this leaflet can hope to reach only a limited number of those who are privy to Mr. Broun's original contribution. And it is bound to get to a great host who didn't know there was a fight going on. It is these latter folk with whom I am particularly concerned. Now that the matter is brought to their attention, aren't they, perhaps, likely to reflect that Kansas is, after all, made up of 82,158 square miles of rather monotonous landscape, peopled by 1,769,257 individuals more famed for restrictive self-righteous legislation than for actual attainment? In the words of the other Black Crow, "Why bring that up?"

## Shoulder Chips

I mention this Kansas fiasco, not only because it is an interesting example of mail merchandising gone haywire, but also because it illustrates a situation which I am often called upon to combat with certain of my pugilistically inclined clients. Every time a competitor comes out with a statement that might, by a stretch of imagination, be interpreted as a dirty dig, they immediately feel called upon to answer in kind. I used to have that inclination myself, but with advancing years I have become more cash-register conscious. And I'll be dad-blamed if I'm going to give the other fellow any free advertising. After all, Cal Coolidge had the smart idea. No matter what they said, he issued no denials. As Mr. Coolidge himself remarked in his daily column (or will, sooner or later), "Silence is golden!"

## Hale, the Emancipator

I fairly chortled with glee the other day when I learned of the plan that Hale Nelson, advertising manager of Southwestern Bell Telephone, has devised in submitting proposed sales promotion letters to various department heads. Each piece of copy is neatly rubber-stamped, "Submitted to you for your O. K. as to facts only." Boy, that certainly is telling 'em! In his capacity as advertising manager Mr. Nelson does not undertake to tell the other department heads where to put their telephone poles, or how many of those glass doo-dads should go on each cross-arm. They have no more right to tell him how to construct his letters. Hail to Hale! I glory in his spunk.

## Ritzing the Prospect

For quite a spell now I have had it in my mind to say something about the sound psychology exercised by the Alexander Hamilton Institute in letters to gain distribution for their promotional booklets. Instead of resorting to the common practice of begging the prospect to send for the book, they adopt an attitude of aloofness. "This is a mighty fine book," they say in effect, "and extremely valuable to the right man. But maybe it isn't for *you*, after all." After which, it is practically impossible to keep the prospect from putting his name on the dotted line. Here are extracts from one of the recent Alexander Hamilton masterpieces:

"At your request, we shall be glad to send you one of the most talked-of little books that has ever been written. It will cost you exactly two cents—the price of the stamp that will carry the coupon on the next page back to me.

"The name of this booklet is 'What an Executive Should Know'. It is not a book for everyone engaged in business; it is for executives and potential executives only.

"But we want you to decide for yourself whether or not the book is intended for you. If you are not interested in business training, don't send for it. If you are seeking new ways to add to your knowledge of business, then we want you to have a copy with our compliments."

## Proof Attached

I think that Chet Woodin, who heads the Arrow Service (a nation-wide collection agency), is one of the smartest mail merchandisers in this or any other country. Chet tells me this letter is just going out to a list of physician customers, with the adding-machine tape record clipped right to it:

"Dear Dr. Phillips:

"According to my adding machine, which seems reliable, we have collected for you to date just \$215.

"Now, that's a sizable total, and had it not been collected it might be right with your present debits . . . on the red side of your ledger, Dr. Phillips.

"Times are hard—we all realize that. But during the most difficult period ever

experienced, we have continued to collect accounts for physicians that would otherwise have remained 'on the books' while the money, perhaps, would have been paid to tradesmen.

"This proves that debtors *can* pay and *will* pay, if properly approached. We do not make an issue of an account; we're as human as the debtor. And never before has our collection machinery moved along with such precision, and with such uniformly good results.

"You should be sharing in these results, Doctor, and I am enclosing this data sheet so that you may hand it to your secretary with instructions to list those accounts you know *can* pay, and which you know *will* pay us.

"I recommend immediate action. We'll show you some mighty nice-looking payment checks within the month."

## First Prize for W. W. S. A.

Casting about for the World's Worst Sales Approaches, the managing editor of SALES MANAGEMENT and I have unanimously agreed that the palm should go, this month, to a firm, mercifully unnamed, who write as follows:

"To you, as a firm from whom we purchase our requirements in your line, we make this month a special appeal that you reciprocate by appointing us your supplier of (commodity).

"We solicit your (commodity) business now because our annual monthly sales contest is held this month.

Unfortunately, the communication reaches us in the final week of *our* "annual monthly contest" to resist asinine sales arguments, and it would never do to weaken at this late date. To the waste basket! Candidates for next month's award are now in order.

## Let the Letters Come

When German statesmen pointed out to President von Hindenburg that a monument in his memory was inevitable the old war-horse sighed resignedly and turned to his desk, cluttered with a mountain of unanswered letters, "Then, let the inscription be, 'Notice: Deliver no mail here!'"

Sometimes I can imagine just how von Hindenburg felt when he made that plea. Incoming letters do have a way of piling up and up. But there's really nothing I like better than to get "big mail," particularly from SALES MANAGEMENT readers. And, besides, if you don't send in your letters for comment and criticism, we would soon run out of material for this department. And that, of course, would be a Major Tragedy. I haven't extended an invitation through the summer months, but now that fall is here again, let the letters come!

## Toledo Promotes Fink

TOLEDO—W. A. Fink has been appointed treasurer of Toledo Scale Company, sales subsidiary of Toledo Scale Manufacturing Company. He has been with the organization for thirteen years.

# Significant Trends

*As seen by the editors of Sales Management for the week ending August 29, 1931*

• • • A wide variety of statistics for the summer months indicates some deflation and readjustment is still to come, though stabilization in many lines is well under way.

• • • Department store sales in dollars for July ran about 8 per cent less than in July, 1930, but were nearly 2 per cent ahead after adjustment for the price changes.

• • • Within a few weeks Best's (of New York) will open its eleventh store; the latest addition will be in Boston.

• • • Fisher's index number of commodity prices held at 69.4 as compared with 69.5 for the two previous weeks.

• • • The Interstate Commerce Commission has permitted the Pullman Company to try out a 25 per cent experimental reduction on round-trip rates.

• • • Department of Labor statistics covering aggregate payrolls of 14,000 factories show a shrinkage of 37 per cent since the fall of 1929.

• • • July automobile registrations show Chevrolet continuing to lead, with the new Plymouth increasing Chrysler's percentage of the total. Ford's percentage of the total is about 15 per cent behind a year ago (42 per cent).

• • • Ford has instructed his married employees to raise vegetables. For workmen employed only part time, the idea may have wider application on the grounds that prosperity depends less on the dollar wage than on high average per capita production. Salesmanship may prove better than dictatorship for spreading the plan, according to other industrialists.

• • • Factory employment is increasing in New England. The 1930 Census of Distribution proves Boston to be the third largest jobbing center (excelled only by New York and Chicago).

• • • Thompson restaurants report that adoption of pre-war prices during July and August turned two of the usually dullest months into two of the busiest of the year.

• • • W. A. Sheaffer Pen Company continues profits and dividends, the president reporting, "We have not found it necessary to reduce our price in order to maintain sales volume."

• • • *The Business Week* (McGraw-Hill publication) announces an increase in advertising rates, based upon an increase in the per capita purchasing power of its readers.

• • • The railroads are arguing for a 15 per cent flat increase in freight rates on the ground that railroad hauling is a service, not a commodity.

• • • Veeder Root, Inc., Hartford, is operating seven days for a full twenty-four hours. They make voting machines, so it looks as if the public will have something to say about a lot of things.

• • • International Paper & Power Company reports 68.7 per cent gain in profits for the second quarter over the same quarter of 1930. President Graustein attributes this result to reductions in operating costs, sales remaining about even.

• • • Ralston Purina Company, St. Louis, has reduced all wages and salaries 15 per cent.

• • • Both Woolworth sales and percentage of profit on sales are showing current gains.

• • • Canadian magazine tariffs are causing American publishers to arrange for Canadian printing to serve their Dominion subscribers.

• • • Over 4,000,000 newspaper circulation (all New York and Brooklyn newspapers) is being sold in one unit by an independent company for broadcasting tie-ups. Along the same line a Detroit broadcasting station is buying newspaper space to promote its schedules.

• • • Walter S. Gifford has accepted the responsibility for leading the fight against unemployment during the winter 1931-32. Through the business corporation he heads (American Telephone & Telegraph) Mr. Gifford has weekly access to data on local conditions which for accuracy and completeness are second to none.

• • • Without question Governor "Alfalfa Bill" Murray of Oklahoma has started oil prices moving up. The long-time effects of actionist policy as compared with deliberative thinking, which in its effort to attain perfection of justice tends to procrastination, remain to be seen.

• • • The Socony-Vacuum union has precipitated a new rush of mergers in the oil industry, though the legislative and judicial outcome of the new crop is by no means clear.

• • • China may solve the war debt problem for all the world and also the Farm Board's inventory nightmare. (See article on page 308.)

• • • Dutch interests are initiating current efforts to curtail world-wide rubber production by 25 per cent; no price-fixing measures are included.

• • • Cigarette consumption dropped over 9 per cent in July, 1931, as compared with July, 1930. Meanwhile the price war, conducted largely outside of official list prices, has given way to advances in the official lists.

• • • Italy has appropriated \$45,000,000 for unemployment relief during the coming winter. The money will be spent on public works, mostly roads—in other words, for work and not as a dole.



# New Ideas— The Lifeblood of the

The Everedy Company has enjoyed uninterrupted growth through years of depression and prosperity alike. The policies behind their unusual record demonstrate a number of good old fundamentals which are still being overlooked in many fields.

**I**N 1920 the Everedy Company, manufacturers of household hardware specialties, produced about 30,000 units. This year it will manufacture more than 1,000,000.

The company now ranks first in the output of its specialized products, which include Everedy door closers, screen door grilles, bottle cappers, syphon filters, strainer sets, radiator shields and other specialties.

Perhaps the most convincing indication of the value of the methods used by this company is the fact that the business increased steadily during 1930 and was still on the upgrade in June of this year. The company now employs a few more people than it did last year, and throughout the depression it has not laid off any workers nor reduced wages or salaries.

When I asked William B. Lebherz, vice-president and general sales manager, to name, if he could, the most important factor in the development of the business, he immediately replied, "Our relations with our distributors." He then explained that the company distributes entirely through wholesale dealers and a few chain stores, and continued:

"Although most of our specialties are patented, we have always considered our merchandising to be our most important effort. In every selling plan we have used the distributor's interests have had first consideration. This attitude, we are convinced, is essential to the success of the small manufacturer, and I believe it will soon be impossible for any manufacturer, regardless of how large he may be, to override the interests of his distributors.

"My brother, Harry J. Lebherz, president of the company, is a mechanical engineer, and my other brother, Robert W., who is secretary,

has had most of his experience in the production end of the business. However, we never have disagreed on any phase of our selling policy.

"Harry is really responsible for the business. For several years he experimented with bottle cappers for his own use, improving his designs from time to time. We then thought of marketing the capper and began in a small way, employing three salesmen. And from this beginning, throughout our experience, we have merchandised our goods just as we would like to have them sold to us if we were distributors. That has been an invariable law with us, and it is the principal reason for whatever success we may have made.

"Of course, every manufacturer should keep his goods up-to-date, and my brothers have shown exceptional ability in this regard. As an example, our first bottle capper sold for \$2.50. It was somewhat cumbersome, as compared with later designs. Today we are putting out a capper that is ten times better than our first model, and it retails for seventy-five cents.

"We are continually redesigning and improving our products, and our competitors never have gotten ahead of us. To do the best job of merchandising a manufacturer must have a superior line of merchandise. Variety, new ideas and attractive designs are the life of sound merchandising. New and improved designs not only keep our specialties in the lead, from a competitive viewpoint, but they attract attention and create interest for our salesmen, and give the men something of value to talk about, something to peg their increased volume on, because these elements make our goods more salable and profitable for our distributors.

"Sound merchandising comes first,

therefore, with up-to-dateness of the goods inseparably related to it. And second I will place cooperation with the trade and our management of salesmen. Advertising, of course, is a part of merchandising, and I can't understand how any manufacturer can get along without it. We have advertised nationally since 1924, and every year we have increased our appropriation for magazines, newspapers and direct mail.

"New ideas are essential to all activities of the kind, and we go to every possible source to acquire them. Every two weeks we have a staff meeting, at which our executives exchange views and discuss whatever they have thought of for the improvement of our lines and business methods. Every two years I make a regular trip to every state in the Union and to Canada, calling on customers for the purpose of exchanging good merchandising ideas, and I take several special trips each year for the same purpose. Our advertising agency is employed on a fee basis, for the commission on the space we buy does not remunerate the organization for the service we demand, and we demand all the ideas they can give us and counsel in their application.

"In fact, we never introduce anything, or depart from our routine in any way, before we consult the officials of our agency, and I believe this to be a good rule for every manufacturer to follow. It has gained many profitable things for us, and has prevented some serious mistakes."

In discussing the company's advertising experiences, Mr. Lebherz said that the company's first advertisement was the result of an investigation by another organization. The Hires' Root Beer Company had found that about 90 per cent of the people who did not use its product gave as a reason the trouble in bottling the beverage. In looking around for a solution of the problem the Hires concern "discovered" the Everedy bottle capper and offered to cooperate with the Everedy Company in publishing a brief campaign of national advertising.

The cost seemed to be almost pro-

# Marketing Plan

Based on an interview by James True with  
**WILLIAM B. LEBHERZ**

*Vice-president, The Everedy Company,  
Frederick, Maryland*

hibitive, Mr. Lebherz said; but a full page was tried in a popular magazine of large circulation, and the copy explained the ease and economy with which Hires' root beer could be bottled with the aid of the Everedy capper. That was in May, 1925, and the first results were disappointing. An immediate increase was expected by Mr. Lebherz, and it did not materialize. For about sixty days the company thought that the advertising was almost a complete flop. Then a demand began which necessitated a double shift in the factory, and increased the business more than 200 per cent in a short while.

"Our first advertising," Mr. Lebherz continued, "taught us some valu-

*"We write our men comparatively few letters, but every letter is important."*

able facts, and we have profited from them in all of our subsequent advertising. We were amazed at the time required for the consumer demand created to work back through our distributive channel, and we have accomplished much in shortening the time. We also realized more fully that the consumer is our real customer, and that our principal business is to cooperate with our distributors

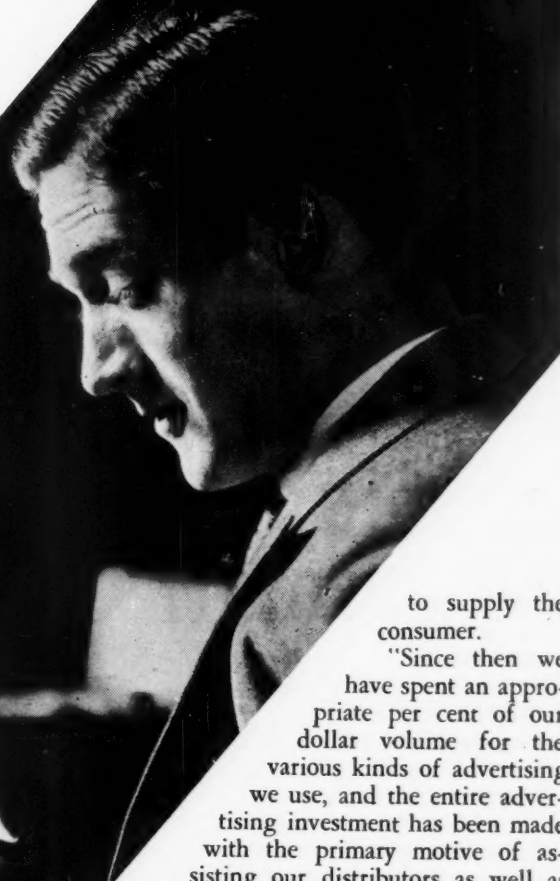
to supply the consumer.

"Since then we have spent an appropriate per cent of our dollar volume for the various kinds of advertising we use, and the entire advertising investment has been made with the primary motive of assisting our distributors as well as ourselves. And the first plank in our policy of cooperation is an invariable, equitable method of pricing. No manufacturer can hold the trust and regard of his distributors, without which profitable cooperation is impossible, with any other policy.

"The most serious buying problem of the distributor is not to get a better price than anyone else, but to procure the lowest price the manufacturer will make. Therefore, when the manufacturer quotes his best price at once, he not only saves time and profits; but he attracts the buyer's confidence and respect, and he builds his volume on a solid foundation.

"When I consider how the majority of buyers respond to an equitable price standard, it is incomprehensible to me that manufacturers should operate on any other policy. Last

*(Continued on page 331)*





*International Newsreel Photo*

*These men haven't seen food in several days. No wonder they staged this riot when a British commissary was opened in Hankow.*

# China Can Convert American Overproduction into New Economic Wealth

BY BASIL STEVENS

**I**N this country, where warehouses are overflowing with commodities of all sorts, some men go hungry while many are unemployed. Depression in the midst of plenty is the aftermath of the "New Era". We have not only an overabundance of all materials, raw and manufactured, but we have the facilities to produce more and still more at the drop of a hat—and the wealth of America lies in these production facilities—these factories, machines, farms, transportation media. If they are not used at comfortable capacity, the capital invested in them becomes sterile and many of the men who operate them become idle.

The problem could be readily solved if we could find markets to buy the existing surplus and permit production to be resumed at more normal levels. But we cannot expect our domestic markets to relieve this glut of commodities while the vicious circle

of overproduction and unemployment is still curtailing the purchasing power of our citizens. The foreign markets in which we have been accustomed to sell offer no brighter hope. We find these markets in countries suffering from the same malady that is troubling us, and in addition they are burdened by foreign-owned national debt beyond endurance.

These familiar markets, domestic and foreign, cannot for the present buy on the scale required. Forcing goods upon them only serves to aggravate the situation.

But there is in the world a market that needs our surplus goods—that could absorb them all, a market of 500,000,000 underfed and poorly clothed people avid for the very goods that burden us today. China could use all the excess and more—but on

China we turn our back for China cannot pay. True, we have shipped millions of dollars' worth of goods to other countries which could pay for them only with money borrowed from us in the form of government loans. But these loans are now being scrutinized by worried bankers. If such government credit has become doubtful why consider giving any thought to impoverished China? Let us survey the situation a moment, nevertheless. Let us note a few facts about China.

Almost continuously since 1911 China has been torn by civil strife—not the strife of oppressed citizens fighting for liberty against a ruthless and powerful regime, but a checker game warfare between selfish bandit chieftains with hired mercenaries. To grant the leaders of the present Na-



By paying for revenue-producing assets with wheat instead of dollars, we can (1) accelerate American and world-wide prosperity, (2) save millions of human lives, (3) build a new gigantic export market for American manufactured goods, (4) get rid of a commodity surplus that is a national economic and political menace, (5) in large measure relieve the world of war debt burdens. Here is the plan.

nationalist government at Nanking motives of true patriotism and a desire to bring the country back to prosperity would brighten the picture very little, for, whether they wish it or not, these leaders have been forced to devote their energies to warfare in a futile effort to suppress the rival factions which form in ever-shifting alliances against them. A system comparable to that of feudal Europe exists in China today, and bandits and petty overlords cannot be easily suppressed in a country without means of transport.

Much as the military burden has crushed China, this is not the greatest factor which has contributed to her pitiable condition. Flood, with its consequent famine, is China's greatest curse. It is difficult for anyone not familiar with the topography of central and north central China to grasp the significance of floods in that country. Through centuries of overpopulation China's hills and the mountains along her waterways have been denuded not only of all trees but shrubbery as well. As a consequence, heavy rains bring immediately myriads of fierce torrents pouring into the great rivers that traverse immense areas of flat country. Primitive dikes hold these rivers in leash in ordinary times, but the dikes themselves, built in a manner practically to elevate the river beds, increase the disaster when great floods come. When the dikes burst areas equal in size to whole states in our country are flooded.

A disaster many times greater than our recent Mississippi flood ensues and although thousands are drowned, millions, literally millions, starve to death, first because there is little surplus food which can be taken from other parts of China, second because there are inadequate means of transporting supplies into affected areas and third because official ignorance, stupidity and greed prevent the organization of facilities to deal with the situation on the scale required.

In the past several years some 8,000,000 people have starved to death in China. But this year and next, due to recent floods of unprecedented violence, we are assured by the

China Famine Relief that many more millions than ever before are doomed unless prompt relief is forthcoming. American indifference to starving millions in China, while offering ready and sympathetic help to a foreign country in which a few thousands perish by earthquake, is understandable. The thing is just too vast to be grasped. It doesn't reach the heart because it doesn't reach the understanding. But if we could alleviate this terrible situation and at the same time cure our own economic ills isn't it worth considering, difficult as it may be, and wouldn't world sentiment be finer and cleaner if the job could be done?

A few more facts about China:

China is an agricultural community. Her population is so great that restored agricultural prosperity will not mean that great quantities of agricultural products will be thrown on the world markets, but rather an increased domestic standard above bare subsistence for a consequent purchasing power for western manufactured goods.

The masses of China are hard-working, peace-loving people, as are the simple peasant populations of most countries. In their village and communal life the Chinese have long had a democratic type of government. They are capable of self-government and responsible administration locally and are accustomed to various sorts of local taxation. They are used to the "liken," a tax on the movement of goods from one local point to another.

Central China is practically without roads, goods being moved by wheelbarrows and animals to waterways. What will benefit China most is the great reclamation project of flood prevention and the construction of many thousands of miles of hard surface roads. Many of the necessary engineering plans for flood relief have already been worked out carefully over a period of years by foreign engineers and a few experimental highways already built in China prove that they will be immediately used by Chinese and pay handsome returns.

China is divided into "provinces" similar to our states and each province

is subdivided into districts similar to our counties.

China's foreign debt, considering the size and population of the country, is relatively small and is largely secured by specific revenues such as customs and railway receipts, which in ordinary times amply meet charges, although a large percentage is now in default. The domestic government debt is a hodge-podge, much of which has been or will be repudiated.

Whether the rest of the world can afford to concern itself with China's affairs is a grave question. Politically and economically destitute, China today is not a sleeping giant, but a giant sick unto death. Should Europe and America at this time offer a nostrum to relieve this giant's present suffering and perhaps thereby turn the tide of health, or should he be left unheeded, perhaps to be revived by the virus of Communism already coursing strongly in his veins?

Certainly China is a poor banking risk, morally and economically, but within the past fortnight there has been a rapidly growing sentiment in favor of relieving China's distress with our surplus commodities regardless of the value of the security which can be offered. Equally urgent is the problem of relieving the nations of Europe from some of the burden of their war debt. Can these two problems be treated together?

The following outline of a plan for rehabilitating China under American leadership and thereby relieving the economic stress of the rest of the world presents such colossal difficulties as to make it appear entirely visionary. It is put forward as a desperate measure to meet a desperate situation—let us call it a Pipe Dream.

1. That the affected areas be divided into tax districts generally along the lines of present provincial divisions.

2. That in each district a constructive program of flood relief, road building and other engineering and construction work (including in some districts power plants), part of which will be capable of becoming revenue-bearing, be laid out by American engineers, effort being made to lay out

(Continued on page 331)

# Peerless May Discard Dealers and Sell Motor Cars by Mail

BY  
LAWRENCE M.  
HUGHES



*The usual route of a motor car from factory to consumer and the new Peerless Straight Line plan are illustrated on the frontispiece of an elaborate brochure.*



THE Peerless Motor Car Corporation may soon establish a nation-wide policy of selling by mail—"direct from factory to you," at a saving of about 30 per cent to the consumer—if tests now being conducted in Dallas, San Antonio and Waco, Texas, prove successful.

The policy would probably mean the elimination of the Peerless dealer organization as it is now constituted. Some "dealers," however, would be retained for service purposes.

It would also mean that the company would advertise more intensively, not only in direct mail but in other media.

These three Texas cities were chosen because Peerless has no dealer representation there. Other southern cities—among them Atlanta, Birmingham, Wichita and Memphis—will probably be entered next. The original

mailing went to 1,000 citizens of Dallas. In anticipating the change nationally, Peerless has made no efforts in the last few months to increase the size of its dealer organization, which is now said to number but a few hundred. When dealers dropped out they were not replaced.

The plan was conceived by James A. Bohannon, president of the Peerless company, who at thirty-six is one of the youngest top executives in the automotive industry. Mr. Bohannon came to Peerless a year or two ago from the Marmon Motor Car Company, where he was vice-president and general manager. Although Peerless was operating at a loss in the early part of this year, it still has some \$2,000,000 in the bank with which to re-enforce its reputation built up by a quarter of a century of continuous operation in the automobile business,

and a high Dun rating. Its production has averaged more than 10,000 units a year.

The new policy is called the "Peerless Straight Line Plan." On the cover of an elaborate thirty-two-page brochure (sixteen by eleven inches) appears an arrow pointing from the company's factory at Cleveland to the name and address of the prospect, inserted at the bottom. The frontispiece carries out the idea in a somewhat different way—one picture depicting the roundabout and costly course of an automobile made at Cleveland, shipped to a distributor in the upper Mississippi valley, then to a dealer at New Orleans, and then to "you" in Texas. Another picture joins these three arrows into one, running from Cleveland to Texas.

"The tremendous strides made by the automotive industry in the past thirty years toward bringing about an almost inconceivably low cost of production are acknowledged by everyone," Mr. Bohannon explained. "Little has been done, however, to reduce the cost of distribution. It is my hope that this plan will be the forerunner of a general movement in the direction of reducing the cost of bringing commodities from manufacturer to consumer."

(Ultimately, the company hopes to establish assembly plants and then branch factories in various sections of the country, to reduce this cost even more.)

The plan, Mr. Bohannon believes, will cut about \$700 off the price of Peerless cars, which normally would sell around \$2,200. "It is the ultimate purchaser who pays the profits of the distributor, the dealer and the



dealer's salesmen, as well as their rents and their office overhead," he added. "In the case of the better-grade automobiles, these expenses and profits run from 30 per cent to about one-third of the retail price. In other words, when a person buys through the usual channels of trade, these expenses constitute almost one-third of the selling price. Not one cent of this amount goes into the bettering of the product. We do not mean to imply that dealers have been receiving more than they should. Their expenses are high and they must receive a good profit in order to stay in business. It is a reflection, however, on present-day methods of merchandising."

Automobiles, Mr. Bohannon continued, are not sold; they are bought. "You buy a specific car for one of three reasons: Because of advertising, of a friend's recommendation or of former experience with the same make." With the prospect adequately and accurately informed through advertising of the Peerless line, and with delivery and service facilities available, he pointed out, dealer and distributor organizations are unnecessary.

### Savings in Cost of Cars

The four models of the company's De Luxe Master Eight series are pictured in color and described in detail in the advertising. Under the Straight Line Plan, for example, the five-passenger sedan, the regular list price of which at factory is \$2,320, costs only \$1,624—bringing about a saving of \$696. The cabriolet, with rumble seat (list \$2,430) costs \$1,701, or a saving of \$729. The cars come fully equipped, with free wheeling.

They are delivered to the consumer in two ways. Purchasers are invited to come to Cleveland to visit the factory and take delivery of their cars there—the company paying the railroad fare. The freight charges saved in this manner, it was explained, are "sufficient to cover gas and oil, as well as your living expenses on the return trip." By the other plan—"Factory-Direct-to-You"—purchasers may use order blanks provided in the brochure—buying either for cash or on time, and specifying the color and type of wheels preferred. "The car is then shipped, fully assembled, to your nearest freight station."

Financing arrangements for time payments have been made with the Commercial Credit Company. Cars may be bought on a down payment of 25 per cent, with the balance distributed over sixteen months. The company will not accept old cars as part payment.

When a car is delivered to a purchaser he receives the name of a service station in his community where arrangements have been made for free inspection, testing and adjusting of the car after it has been driven the first 5,000 miles.

Peerless offers a twelve months' guarantee. It makes this additional offer: "After you have received your car, drive it for a period up to forty-eight hours and a distance up to 100 miles. If you find that any of the statements which we have made regarding specifications, performance or riding qualities are not exactly as represented, the car will be taken back and any money which you may have paid on the car in addition to any transportation charges which you may have paid will be returned to you in full."

The chief objection to the plan by prospects has been that they could not

see the merchandise before they bought. But the company believes that this can be overcome. "Many products—homes for example—have long been bought that way," an executive of the company explained to this magazine. "The mail-order houses have long used it successfully."

Ultimately, Peerless intends to discard all dealers. However, it has service stations now in almost every city of any size in the country.

As the plan progresses other advertising media will be added. Newspapers and spot broadcasting will be employed to tie in with the direct-mail campaigns. National advertising will start later. Sweetland Advertising, Inc., New York, is in charge of the Peerless direct-mail program, and Brotherton, Inc., Detroit, is the general advertising agent.

Henry Ford is reported to be considering a similar plan.



+++ WHILE MANY COMPANIES ARE STILL MARKING TIME, waiting for business to improve, the aggressive pluggers are either matching 1931 figures with previous "highs" or are making new all-time profit records. General Motors' net profit margin during the second quarter of 1931 was the highest since the corresponding period of 1928—the year of the largest earnings in the corporation's history. This record was achieved in the face of the lowest dollar volume of sales for the quarter in the last five years.

+++ HIGHEST EARNINGS for any six months in its history were reported by the Adams-Millis Corporation this week for the first six months of 1931. Net profits amounted to \$451,620, compared with \$413,069 for last year—an increase of 9.3 per cent.

+++ J. F. McELWAIN COMPANY, with plants in Manchester and Nashua, has just completed the biggest six months' business in history. Factories are running full time.

The week ending August 15 was the biggest week ever recorded.

+++ THE LOOSE-WILES BISCUIT COMPANY, in the six months ended June 30, 1931, enjoyed one of its best half-year periods. Second quarter net of \$551,600 compares with \$450,702 for the same quarter last year. Indications are that 1931 earnings will approximate the record 1929 total, when net was \$2,732,095, or \$4.58 a share.

+++ THE F. W. WOOLWORTH COMPANY financial position is the strongest in that company's history. Cash on hand now totals more than \$40,000,000 as compared with \$17,254,702 at the end of 1930. There is every probability that the present \$2.40 dividend rate will be increased to \$3 by the board of directors at the October meeting.

+++ W. A. SHEAFFER PEN COMPANY continues its unbroken dividend record with a fifty-cent extra dividend on common stock, in addition to the regular \$1. Sheaffer has paid dividends uninterruptedly since the company organized in 1913.

+++ A NEW ALL-TIME EARNINGS RECORD of \$586,579 was made by the Perfect Circle Company for the first seven months of 1931. This compares with \$430,019 a year ago.

### +++ MORE NET PROFIT INCREASES:

Company	Period	1931	1930
W. T. Grant	First seven months	\$38,314,991	\$34,823,773
S. H. Kress	First seven months	35,947,287	35,375,674
H. C. Bohack	First seven months	17,529,387	15,612,880
McCrory	First seven months	22,589,318	22,532,771
J. J. Newberry	First seven months	15,278,907	14,510,943
Lerner Stores	First seven months	14,466,615	13,347,325
Interstate Department	First seven months	12,211,596	11,496,424
G. C. Murphy	First seven months	9,936,928	8,420,461
Hershey Chocolate Company	First six months	4,718,680	4,253,714
International Business Machines	First six months	3,778,492	3,654,310
International Paper & Power	First six months	1,606,997	1,271,111
Bigelow-Sanford Carpet Company	First six months	683,600	525,668
Tung-Sol Lamp Works, Inc.	First six months	221,367	188,994
Devoe & Reynolds Company	First six months	199,377	152,148



# Population Studies of Principal Markets and Their Tributary Areas

The outline of tributary areas, as shown by map and text, is advanced only as a rough approximation (keeping to county lines) of the trading area of each major market. Audit Bureau of Circulations statements were consulted for the definition of "carrier limits," "trading radius" and "eight largest cities within trading radius." See notes for sources of additional material on each market.

## Number Forty-eight: Flint

(A.B.C. Trading Radius: 21 Miles—The circle indicates distance only; not exact boundaries of trading area)

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These studies conclude the series of cities in the 150,000 group. The series, compiled in report form, is available from Sales Management at \$2 a copy, or \$1.50 in quantities of ten or more.

REFLECTING the activity of the motor car manufacturing industry during the past decade, Flint, Michigan, came into 1931 with a record of 70.9 per cent increase in population over 1920. Oakland County (containing Pontiac, which falls outside the Flint A. B. C. trading area) ran up an increase of 134.6 per cent in the same length of time. The group of counties analyzed here more than tripled the rate of national growth.

Market information about this area may be obtained from the *Flint Journal*.

Figures presented on total and per capita spendable money income as tabulated are taken from an original statistical study made by SALES MANAGEMENT and presented, complete, in the annual reference number of this magazine issued September 27, 1930. For a full explanation of the method through which those figures were evolved, see pages 9, 10 and 11 of that issue. The figures on per capita spendable income as tabulated in this series of studies do not agree in all cases with the figures printed in the reference issue, since they have been corrected to correspond with the final 1930 population figures as compiled by the Bureau of Census. At the time the reference issue was printed only approximate figures were available.

Previous studies in this series covered New York City (January 31, 1931); Chicago (February 7); Philadelphia (February 14); Detroit (February 21); Los Angeles (February 28); Cleveland (March 7); St. Louis and Baltimore (March 14); Boston (March 21); Pittsburgh and San Francisco (March 28); Milwaukee and Buffalo (April 4); Washington and Minneapolis-St. Paul (April 18); New Orleans and Cincinnati (April 25); Newark and Kansas City (May 2); Seattle and Indianapolis (May 9); Rochester and Louisville (May 16); Portland and Houston (May 23); Toledo and Columbus (May 30); Denver and Atlanta (June 6); Dallas and Birmingham (June 13); Akron and Memphis (June 20); Providence and San Antonio (June 27); Omaha and Syracuse (July 4); Dayton and Worcester (July 11); Oklahoma City and Richmond (July 18); Youngstown and Grand Rapids (July 25); Bridgeport, Hartford and New Haven (August 8); Fort Worth (August 22).

### Joint Sales for Heating Unit

DETROIT—A joint merchandising arrangement has been entered into between Silent Automatic Corporation and the Detroit-Michigan Stove Company here, according to Walter F. Tant, president of Silent Automatic. By this arrangement, Detroit-Michigan Stove Company will merchandise a complete warm air heating unit consisting of specially designed warm air furnace and a Silent Automatic burner.

# An Analysis of 1930 Population Figures for Flint and Surrounding Territory Compared with 1920

The tabulations and analysis presented in this series are original with SALES MANAGEMENT and are copyrighted. Reproduction, except by permission, is forbidden.

Cities	Miles from Flint	Population 1920	Population 1930	Per Cent Gain or Loss	Counties	Population 1920	Population 1930	Per Cent Gain or Loss	All Spendable Money Income 1929 (000 Omitted)	Per Capita Spendable Income
Flint	..	91,559	156,492	70.9	Genesee	125,668	211,641	68.4	\$188,881	\$894
* Mt. Morris	7.2	1,174	1,982	68.8	"	See above	"	"	"	"
** Fenton	31.0	2,507	3,171	26.4	"	"	"	"	"	"
** Gaines	19.3	260	250	-3.8	"	"	"	"	"	"
** Clio	12.0	1,256	1,548	23.2	"	"	"	"	"	"
** Davison	9.0	811	1,598	97.0	"	"	"	"	"	"
** Flushing	27.5	1,169	1,723	47.3	"	"	"	"	"	"
** Lapeer	20.0	4,723	5,008	6.0	Lapeer	25,782	28,348	10.0	12,241	432
** Holly	17.1	1,888	2,252	19.3	Oakland	90,050	211,251	134.6	220,840	1,050
** Durand	15.0	2,672	3,081	15.3	Shiawassee	35,924	39,517	10.0	21,616	547
** Inlay City	31.0	1,211	1,495	23.4	Lapeer	See above	"	"	"	"
** Coronna	20.0	1,571	1,936	23.2	Shiawassee	"	"	"	"	"
** Owosso	27.0	12,575	14,496	15.3	"	"	"	"	"	"
***					Livingston	17,522	19,274	10.0	.....	...
***					Tuscola	33,320	32,934	-1.2	13,829	420
***					Saginaw	100,286	120,717	20.4	110,517	916
TOTAL FOR AREA						428,552	663,682	54.9	\$567,924	

\* Cities within the carrier limits (A. B. C.)  
 \*\* Eight largest cities within the trading area (A. B. C.)  
 \*\*\* Other cities and/or counties over 1,000 population within the trading area (A. B. C.)  
 "Miles from Flint" figures are from the Official Guide of the Railways.

## Number Forty-nine: Nashville

(A.B.C. Trading Radius: 75 Miles—The circle indicates distance only; not exact boundaries of trading area)

THE population trend in the Nashville area between 1920 and 1930 was distinctly toward the city. Municipal Nashville increased 30.0 per cent—almost twice the rate of national growth—while Davidson County (containing Nashville) grew 32.8 per cent. Only two other counties in the area—Van Buren and Warren—showed a rate of gain which exceeded the national rate. With few exceptions, all other counties showed small losses.

Market information about the Nashville area may be obtained from the Nashville Banner and Tennessean.

The tabular analysis of this area appears on page 327.

For a full explanation of the table, see comment accompanying Flint study on preceding page.

### Photo Engravers to Meet

ST. LOUIS—An invitation, measuring twelve by nineteen inches, printed on Japan tissue paper in five colors from photo-engraved plates, has just been issued by the American Photo-Engravers Association, Chicago, to attend the thirty-fifth annual convention and exhibition of the association, to be held at the Hotel Statler, St. Louis, October 15-17. Louis Flader, Chicago, is executive head of the association.

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*Spokane in 1881 and Spokane Today*

# SPOKANE'S GOLDEN JUBILEE

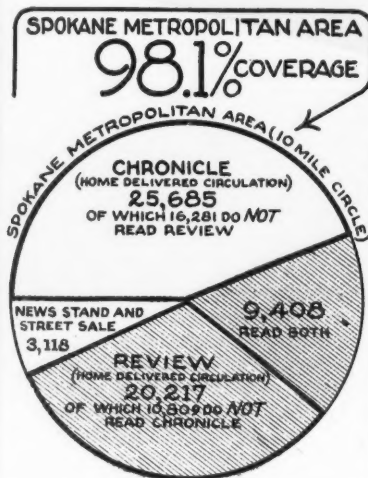
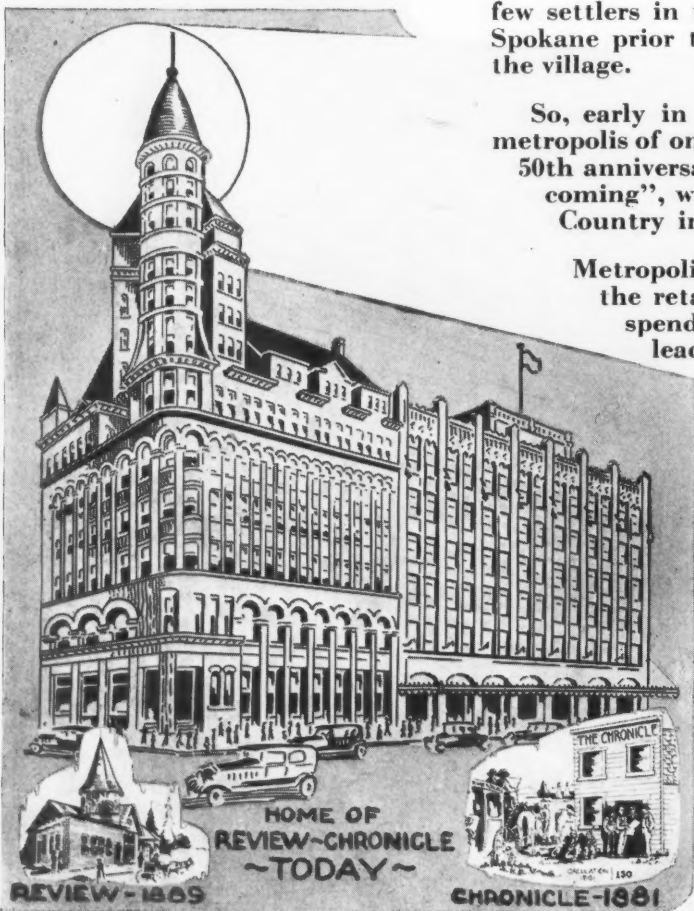
**Incorporated 1881**

## The Spokesman-Review (1883) and the City

**J**UST 50 years ago James N. Glover, "The Father of Spokane," platted the little village of Spokane Falls. The population was barely 500, with Indian tepees still on all sides. Pack horses and prairie schooners furnished the only means of transportation for a few settlers in the vast outlying territory surrounding the village of Spokane prior to 1881, when the Northern Pacific built a side-track to the village.

So, early in September this year, Spokane, the modern hustling metropolis of one of the richest markets in America, is celebrating its 50th anniversary of its founding through its "Golden Jubilee Homecoming", with mayors from 200 cities and towns of the Spokan Country in attendance.

Metropolitan Spokane today has a population of 141,358, and is the retail metropolis for 563,000 consumers with a per capita disposable income and percentage of automobiles to families leading 37 states. Spokane is the hub of more railroads than any other city in the Northwest.

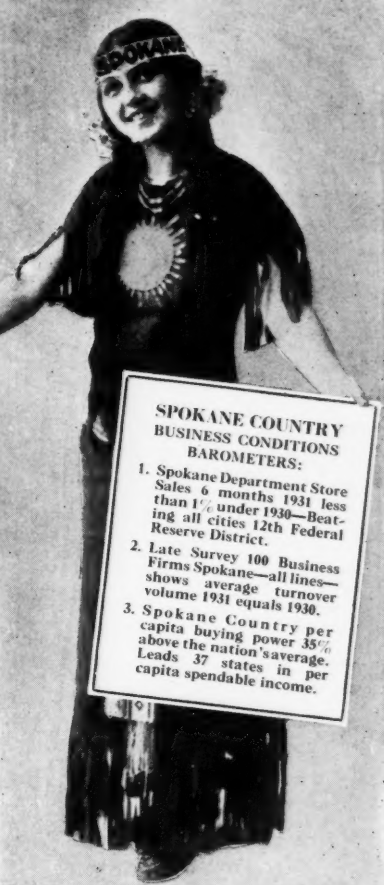


**-REVIEW-CHRONICLE ADVERTISING-**  
**THE SPOKANE**  
MORNING EDITION - A -  
**Spokane**  
EVENING

**COVER SPOKANE AND THE COUNTRY**

**REPRESENTATIVES**  
WM. J. MORTON CO. CHICAGO  
NEW YORK  
M. C. MOGENSEN & CO., INC. SAN FRANCISCO  
LOS ANGELES - SEATTLE





**SPOKANE COUNTRY  
BUSINESS CONDITIONS  
BAROMETERS:**

1. Spokane Department Store Sales 6 months 1931 less than 1% under 1930—Beating all cities 12th Federal Reserve District.
2. Late Survey 100 Business Firms Spokane—all lines—shows average turnover volume 1931 equals 1930.
3. Spokane Country per capita buying power 35% above the nation's average. Leads 37 states in per capita spendable income.

**MISS SPOKANE**

# MOEN JUBILEE

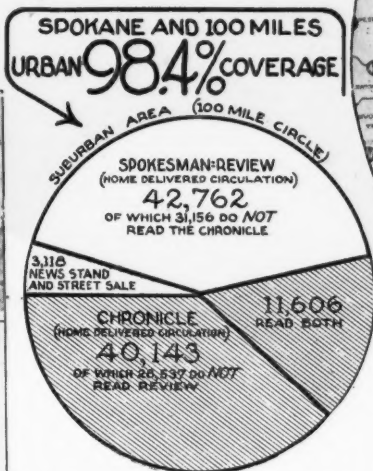
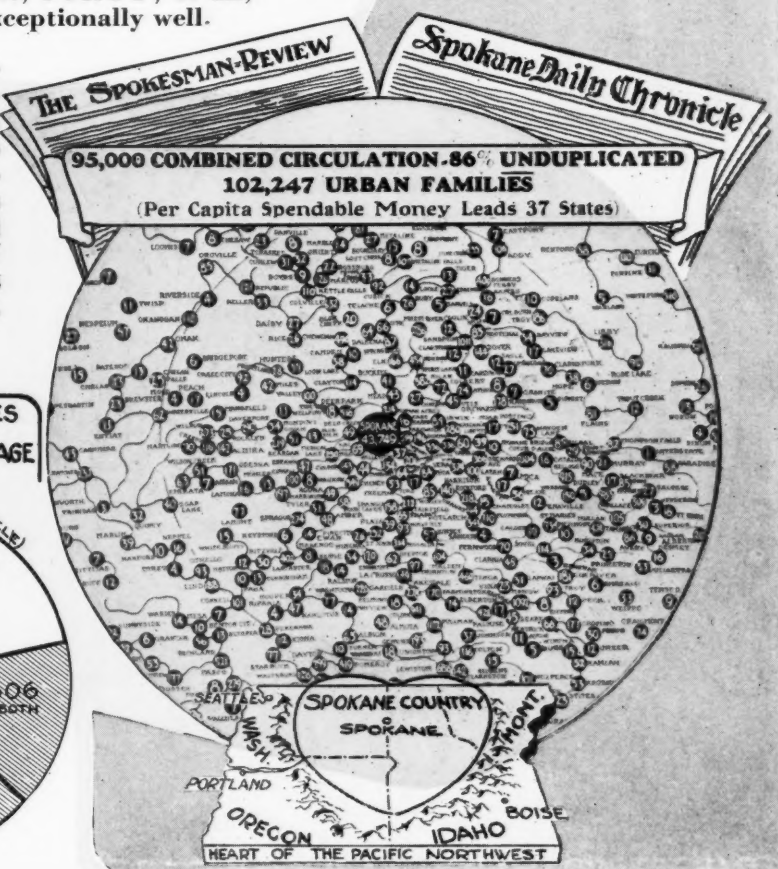
**1931—50th Anniversary**

## and the Chronicle (1881) Growth Dovetails

Spokane is larger than any point west of Omaha, and its wholesalers in many lines dominate a field of 1,500,000 people.

THE SPOKESMAN-REVIEW, established in 1883, and the SPOKANE CHRONICLE in 1881, have grown up with Spokane and its rich tributary sections. Adhering rigidly to their policy of, FIRST, of all, newspapers, they have served this great section exceptionally well.

This is proved by the fact that THE SPOKESMAN-REVIEW and SPOKANE CHRONICLE'S home delivered coverage of Spokane's metropolitan area is 98.1% complete, compared with urban families for 100 miles around, the coverage is 98.4%. Of all national advertisers using Spokane newspapers whose copy is acceptable and not conditioned on news or editorial support, 98% choose THE SPOKESMAN-REVIEW and SPOKANE CHRONICLE (each of these papers reached over 50,000 lines the first six months of 1931).



**ADVERTISING BUREAU—**  
**SPOKANE-REVIEW**  
 MORNING EDITION—A WEEK  
**Chronicle**  
 WEEKLY

**AND COUNTRY LIKE THE SUNSHINE**

**DOMINANT FARM MAGAZINES**  
 THE WASHINGTON FARMER  
 THE IDAHO FARMER  
 THE OREGON FARMER

Q Saturday is always a good day in the show business. Perhaps it's due to his former association with the theater that Tom Hanlon had no preconceived notions about Saturday's being a bad day for selling. He knows just how good it is, because his men prove it every week with orders. Super Maid has 1,800 men in the field and will do a \$6,000,000 volume in 1931.

## Is Saturday Really an "Off" Day? —or Do Salesmen Only Think So?

WE have an expression, "blue Monday". Why not coin a "red Saturday" to go with it? "Red" because it is a day that represents a total loss to so many salesmen.

The deep-rooted conviction, on the part of salesmen, that it is useless to call on buyers on Saturday is costing manufacturers and the men themselves many thousands of dollars yearly. While the majority of salesmen are spending Saturdays puttering around their desks at the office, or making a half-hearted effort and then calling it a day, the few men in the field who make Saturday a day of planned calls and serious application are handsomely paid for their efforts. The extra commissions they earn from orders obtained at the tag end of the week are buying automobiles, radios, vacations, new roof for the house or another year of college education for the youngster.

The field force of the Super Maid Cook-Ware Corporation of Chicago is one gang that has learned how to turn Saturdays into gold. A single instance related by Tom Hanlon, director of sales for that concern, tells the whole story.

"On a certain Saturday morning during the month of April," Mr. Hanlon said, "Evan Kelley, one of our Texas representatives, made four unsuccessful calls.

"A most unusual downpour of rain, almost

amounting to a cloudburst, was in progress during the time the calls were made. The last call was made about 1 p. m., and considering the inclemency of the weather, if a salesman was ever confronted with a plausible excuse for knocking off on a Saturday afternoon, I believe Mr. Kelley had one.

"Instead, he drove twenty miles from his 1 o'clock call to call back on a customer with only a remote possibility of securing an order. Arriving at the man's place of business, he found that he had just left for home.

"Regardless of the adverse circumstances, Kelley ascertained what route the prospect usually took in driving home and started after him.

"About two miles en route he encountered his prospect parked under a viaduct to escape an unusually heavy downpour. Stopping his car behind

that of the buyer, Kelley went up to the prospect's car, climbed in, and sold an order which netted a commission of approximately \$62.00.

"Mr. Kelley's experience is a pointed illustration of the necessity for going after business in this day and age, and it proves that Saturday has many overlooked selling possibilities for the salesman who has a sufficient amount of determination and the courage to transfer it into useful activity."

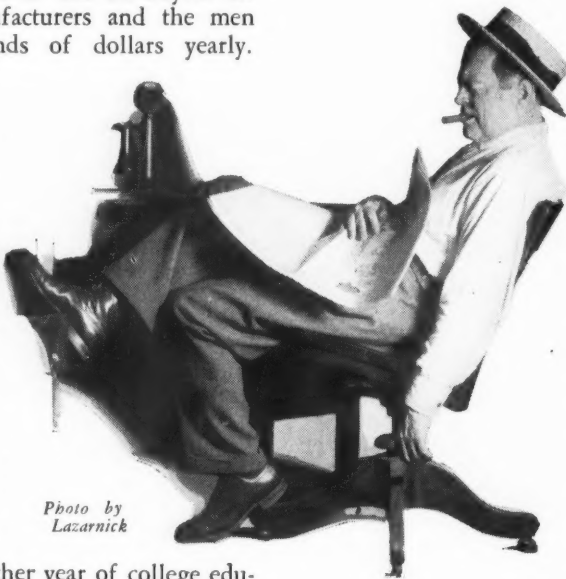


Photo by  
Lazarnick



# If you want the plums today...stick your thumb in a PLUM pie

The most fertile pie for plum-hunting is, of course, the one filled *exclusively* with plums. And the most fertile advertising medium for sales-hunting is the one going *exclusively* to the men who control buying.

If you're selling to business and industry the McGraw-Hill business publications are your plum pies. Take a peek inside their circulation lists. You'll find over half-a-million readers—the type of men you want to reach. They're the men who wield the buying power of busi-

ness and industry. The men who can give you the orders—or withhold them. A check-up shows that sixty-nine per cent of these business men, industrialists and engineers use their McGraw-Hill publications as buying guides.

Today more than ever, every advertising dollar must go where it's certain to meet the right people—and no others. If the "right people" for you are business and industrial executives or engineers, you'll find them most easily through McGraw-Hill publications.

## HILL PUBLICATIONS

Philadelphia · Washington · Greenville · Cleveland · Detroit · Chicago · St. Louis · San Francisco · Los Angeles · London

American Machinist  
Product Engineering

Engineering News-Record  
Construction Methods

Engineering and Mining Journal  
Engineering and Mining World  
Metal and Mineral Markets  
Coal Age

Electric Railway Journal  
Bus Transportation  
Aviation  
Textile World

Electrical World  
Electrical Merchandising  
Electrical West  
Power

Radio Retailing  
Electronics  
Food Industries  
Chemical & Metallurgical  
Engineering



## Firestone "Declares Independence" but Other Makers Welcome Chains

AKRON—"Firestone never have built and never will build any special brand tires for mail-order houses and others to distribute," the Firestone Tire & Rubber Company points out in an eight-page standard size "newspaper" addressed to publishers and their representatives, which defends its "comparative" advertising campaign against mail-order house tires.

The campaign led the mail-order houses to appeal to the National Better Business Bureau and caused a few publishers to refuse to run the copy. The broadside is intended to "let you know first-hand the facts in regard to Firestone and Firestone dealers' activities in our defensive campaign against misleading, extravagant and unwarranted claims of the mail-order houses." It also endeavors to answer "numerous questions regarding the definitions of tire terms as printed and distributed by the National Better Business Bureau May 22, 1931, and their later bulletin of July 10, 1931, retracting in substance these definitions."

The Firestone advertising points out that its tires offer "more weight, more thickness, more non-skid depth, more plies under tread and the same width" at prices the same or less than those of the mail-order houses.

Two months ago Sears, Roebuck & Company sent a letter to publishers (reproduced in the Firestone broadside) referring to an attached list of "definitions issued by the Better Business Bureau for the tire trade" and accusing Firestone of "quoting their second line tire prices in comparison with Allstate (Sears, Roebuck tire brand), which are first line prices and tires."

In a bulletin, just issued, the bureau "hereby asserts that it has not retracted its definitions as sent to the tire trade."

Sears, Roebuck, whose tires are made by Goodyear Tire & Rubber Company, is now said to do 11 per cent of the total replacement business in the country. These tires, however, are made to Sears, Roebuck specifications and are not the regular Goodyear brand.

The Montgomery Ward tires—the principal brand of which is Riverside—are manufactured by United States Rubber Company and its subsidiaries, the Samson Tire & Rubber Company, Gillette Rubber Company and Mansfield Tire & Rubber Company. These subsidiaries, mostly regional, were ac-

quired by United States Rubber in order to get the Montgomery Ward business.

Another important recent factor in the distribution of tires is chain stores and gasoline stations. Among the manufacturers making special brands for these outlets are B. F. Goodrich, United States, Falls, Norwalk, Murray, Monarch, India, Mohawk and Armstrong.

Probably the most significant development in this trend is the recently



Harvey S. Firestone

adopted policy of the Standard Oil Companies of New Jersey, Indiana and California to sell tires in their filling stations. The tires—the Atlas brand—are manufactured by United States Rubber and by the B. F. Goodrich Company and its subsidiary, the Miller Rubber Company. Cities Service Company is also selling tires under the Acme brand through Louisiana Petroleum Company, a subsidiary, and this policy, as recently announced in SALES MANAGEMENT, will be extended.

Others among the leading oil companies, operating in the aggregate scores of thousands of filling stations throughout the country, are expected to adopt it. The Lee Tire & Rubber Company has made manufacturing arrangements with one of the large Oklahoma producers to sell its tires under the Lee name, and it is reported that Goodyear and Firestone (despite Firestone's declaration of independ-

ence quoted at the beginning of this article) are negotiating similar arrangements.

Among the "big five" tire manufacturers, however,—Goodyear, Goodrich, Firestone, United States and Fisk—Firestone is now selling wholly through independent tire merchants and through its own factory-controlled stations and Fisk wholly through independents.

The four largest manufacturers (Fisk excluded) increased their share of the total tire replacement business of the country from 36.8 per cent in 1925 to 49.6 in 1930, at the expense of the smaller manufacturers. At the same time the mail-order houses increased their share from 8.3 to 16.7.

## Majestic to Come Back in Intensive Campaign; \$11,000,000 Orders

CHICAGO—Grigsby-Grunow Company is preparing for a whirlwind campaign for business this fall, an official of the company informed SALES MANAGEMENT this week.

"We expect to have 6,500 employees at work early in September," he said. "This compares with 6,000 last spring. The weekly payroll will be about \$200,000. We have on our books dealer orders for more than \$11,000,000 worth of radios, refrigerators, auto radio sets, tubes, etc., for delivery by October 1.

"The opening gun in our advertising campaign will be fired in the *Saturday Evening Post*, September 8, in a double-page announcement. Newspaper advertising, 1,500-line size, will start in 165 newspapers September 10.

"We shall start our radio advertising with a broadcast over forty-eight stations of the Columbia network, with a full-hour program featuring DeWolf Hopper, Irvin Cobb, Harry Richman, Gus Van, Ruth Etting and others.

"Newspaper, magazine and radio advertising will be kept steadily before the public during the campaign. In a period of two weeks starting September 1 we expect to have up 8,000 outdoor posters.

"Majestic distributors are now holding dealer meetings. Equipment will be on floors for immediate delivery as soon as the advertising and sales campaign breaks."

## Kleenex Sells Hankies

CHICAGO—A national campaign will back up the sale of "Kerfs," a new disposable handkerchief, manufactured by the Kleenex Company. The copy will say that the hankie can afford to buy Kerfs at thirty-five cents a package rather than send cloth handkerchiefs to the laundry.

# WHAT DO YOU BUY... "COVERAGE" OR "AUDIENCE?"



You hear a lot about "coverage" when radio advertising is discussed . . . but you seldom hear coverage defined. Even more rarely do you hear a discussion of *audience*—the actual listeners you can count on for your time on the air.

Westinghouse Radio Stations, after an intensive research program recently completed, have a new point of view to present on "coverage" and "audience." It's going to change a lot of the thinking now being done about the purchase of radio time on the air.

From now on, when you hear a Westinghouse Radio Stations representative saying "coverage," here is what he means: The number of receiving sets reached by an adequate signal from the station in question.

When he says "audience" he is talking about actual listeners. And when he talks about the audience of KDKA, for instance, he won't be guessing. He will

have facts and figures to support what he says.

As a result of several months of assembling data we can now supply definite information as to the Primary Zone of Influence and the number of listeners in the AUDIENCE of Station KDKA. Similar data for all Westinghouse Stations will be made available as rapidly as possible.

This information will be broken down by trading areas comprising the Primary Zone of Influence, permitting greater accuracy in the distribution of radio advertising effort and the co-ordination of sales activity with broadcasting.

Through a newly discovered significance of station mail response combined with other factors there will be available records of month-to-month changes in the number of listeners comprising the audience of Station KDKA.

Use the fact-finding, audience-getting Westinghouse Radio Stations to make your selling campaign effective.

## WESTINGHOUSE • RADIO • STATIONS

**WBZ-WBZA**

Boston, Mass., Hotel Bradford  
Springfield, Mass., Hotel Kimball

**KDKA**

— COMMERCIAL OFFICES —

Pittsburgh, Pa., Hotel William Penn

**KYW-KFKX**

Chicago, Ill., 1012 Wrigley Building  
New York, N. Y., 50 East 42nd Street



## "Bull" Durham Returns at 5 Cents as Packaged Cigarette Sales Wane

NEW YORK—The increase in the price of packaged cigarettes by the four leading manufacturers the latter part of June, from \$6.40 to \$6.85 a thousand, and the consequent general adoption of a retail price of fifteen cents a package, was a factor in the decline of some 1,200,000,000 in the packaged cigarette production in the United States last month. Apparently the public disapproved of the increase. Some of them felt too poor to pay it.

To reach this dissatisfied market, George W. Hill, president of the American Tobacco Company (who did not initiate the increase) has reduced the price of "Bull" Durham smoking tobacco from eight to five cents a sack and is seeking to revive the "Bull" Durham brand and the war-time habit of "rolling your own" in an advertising campaign in 1,900 newspapers, in which will be spent about \$1,000,000 in a four-week period.

If this nation-wide test succeeds, "Bull" Durham may receive as large appropriations in the future as American Tobacco's Lucky Strike cigarette and its affiliated American Cigar Company's five-cent Cremo cigar.

Manufacturers of packaged cigarettes must pay a Federal tax of six cents a package. To the "regular" retail price of fifteen cents (fourteen, usually, in the chains) is added another tax in certain states, such as Iowa and Tennessee, ranging from two to five cents. On loose tobacco, on the other hand, the Federal tax is only eighteen cents a pound, or only a bit more than one cent for the smallest sizes of sacks and cans. This form of smoking is also taxed slightly by certain states, but chiefly on cigarette papers. Each five-cent sack of "Bull" Durham contains enough tobacco for about fifty hand-made cigarettes. The company has reduced the price of Rizla + cigarette paper—150 leaves to the book—to five cents and is offering twenty-four leaves free with each sack. "Bull" Durham may be rolled easily; it is also used as a pipe tobacco.

The same copy will appear eight times, twice weekly, in 1,000-line size for the four-week period. Depicting a great bull (a statue of which appears at the headquarters of the company at 111 Fifth Avenue, and which for many years has ranked with the Indian as its symbol), the advertisement carries a message from Mr. Hill referring to the "pride" which his father, Percival S. Hill, had in "Bull" Durham

and to his own "gratification" in being able to "offer this important saving and service to the American public at this time."

Perhaps, later, the war-time slogan for this product, "The Makin's of the Nation," will be re-employed. In certain sections of the country, such as Texas, this form of smoking has continued to be popular, among men, but it has long ceased to be a national habit.

Some increase in "Bull" Durham sales, however, was noticeable before the campaign started. The company felt that the public at this time was ready to be reconverted. Although definite figures on sales are not yet available, sales already have risen rapidly. One New York dealer who normally sold about ten sacks a week sold sixty the day the campaign broke, and a lot of men (and perhaps a few women) are learning something about manual dexterity.

### Reynolds Tobacco Starts "Roll Your Own" Drive

WINSTON-SALEM, N. C.—R. J. Reynolds Tobacco Company launched this week an advertising campaign in 400 daily and weekly newspapers of Texas and Ohio to promote the "roll your own" idea with its Prince Albert smoking tobacco.

Reynolds is also the maker of Camel cigarettes.

### Chesterfield, Piedmont, Fatima Add Cellophane

NEW YORK—Liggett & Myers Tobacco Company has followed the lead of almost every other important American cigarette manufacturer in introducing its leading brands—Chesterfield, Piedmont and Fatima—in moisture-proof Cellophane wrapping. The new packages, sold in the south for several weeks, have just made their debut in New York.

Advertising plans for them have not been announced.

With Liggett & Myers' conversion, three of the four most widely sold brands—Camel, Chesterfield and Old Gold—are now Cellophane-wrapped. Lucky Strike is the exception. In addition some dozen other brands have adopted it.



... Badger & Browning & Hersey, Inc., has been formed at New York as an affiliated agency with Badger & Browning, Inc., Boston. J. L. BADGER will be chairman of the board, ROBERT W. HERSEY president and F. S. BROWNING treasurer.

... KENNETH M. GOODE has become advertising counsel for clients of the Biow Company, New York agency. Mr. Goode will continue his other interests, including lecturing and writing.

... ROBERT K. LEAVITT, secretary-treasurer of G. Lynn Sumner Company, New York advertising agency, for the last five years and formerly secretary-treasurer of the Association of National Advertisers and advertising manager of the Onyx Hosiery Company, has resigned, effective September 1. Mr. Leavitt will leave on an extended vacation and will announce his new connection later. His successor has not yet been chosen.

... PAUL W. IVEY, professor of marketing, at the University of Southern California, instructor in sales training and author of several books on this subject—the latest of which is "Salesmanship Applied"—has joined the National Sales Alliance, sales promotion and advertising agency service, Los Angeles. Dr. Ivey will continue to conduct classes on salesmanship organized by chambers of commerce and clubs.

... The Bott Advertising Agency, Little Rock, Arkansas, fifteen years old in September, has become reminiscent and a little cocky. Its clients extend from Fairbanks, Alaska, to Florida and Paris. One of its earliest jobs was to advertise for two children lost in a cyclone—the first advertisement locating them. "One small ad. brought 3,007 one-dollar orders," an executive of the agency recalled. "One group of small ads. we ran brought 25,500 replies; another 15,000."

... B. FRANKLIN THEOBALD, recent addition to the executive staff of McLain Organization, Philadelphia agency, has been elected a director and vice-president in charge of merchandising.

... The California Merchants Publicity Service, radio advertising agency, has been organized with offices in the Hearst building, San Francisco, with JOHN Q. HALL as general manager.

... RUSSEL V. CLINE has joined Sweeney & James Company, Cleveland agency. He has been in the advertising department of Firestone Tire & Rubber Company, Akron, for seventeen years.

... EUGENE UMLAND has resigned as assistant advertising manager of B. Kuppenheimer & Company, Chicago, to become advertising manager of the ten New England clothing stores of the Kennedy Company.

... The Advertising Agencies Foreign Language Service, New York, has opened a new office at 140 South Dearborn Street, Chicago, with FRANKLIN E. WALES, vice-president, in charge.



# National Advertisers

## *use these papers*

## with growing Profit

Eight daily newspapers—that go into the **homes** of over half the families of Westchester, America's richest county, every week-day. Eight papers that guide the shopping habits of a group of communities that aggregate more buying power than many cities larger than their total. Eight papers that can be bought as one—for 27c a line—and that have proved their worth consistently to national advertisers—and that can make profitable sales for **you**. Better get the details NOW.

### •Some National Advertisers Using the Group of Eight Westchester Dailies Regularly

Anheuser Busch Ice Cream Co.	Gillette Camera Stores	Nuyens Grenadine
Beech-Nut Packing Co.	Gold Dust Products	Old Gold Cigarettes
Black Flag	Gulf Refining Co.	Pine Tree Products
Bohn Refrigerator Co.	Hawaiian Pineapple Co.	Quiet May Oil Burner
General Baking Co. (Bond Bread)	Helena Rubinstein	Raladam Co. (Marmola)
Branford Oil Burner	Hormel Chick	Raleigh Cigarettes
Camel Cigarettes	Hupp Motor Car Corp.	Resinol
Canada Dry Ginger Ale	Ivanhoe Food (Mayonnaise)	Salada Tea
Chesterfield Cigarettes	Keller Laboratory & Sorbol Co.	Sears Roebuck Co.
F. W. Clements (Kruschen Salts)	Lax Seed Natural Products	Standard Oil Co. of N. J. and Sub.
Armour & Co.	Lester Piano Co.	(Flit)
Columbia Appliance	Metropolitan Life Ins. Co.	Standard Oil Co. of N. Y. (Socony)
Columbia Metal Box Co.	Mexican Petroleum Co. (Pan-Am.)	The Tennessee Corp. (Loma)
Drakes Cake	I. Miller	Vicks Vapo Rub
Electrol of Westchester	Montgomery Ward & Co.	Vine Glo
Furness Bermuda Line	Nat'l Board of Fire Underwriters	

## ★ The Family Papers In America's Richest County ★

WESTCHESTER COUNTY PUBLISHERS, INC.

14 Mamaroneck Avenue, White Plains, N. Y.

Mamaroneck Times  
Ossining Citizen-Sentinel  
Yonkers Statesman

Tarrytown News  
Mount Vernon Argus  
New Rochelle Standard-Star

Port Chester Item  
White Plains Press (Affiliated)

Nationally Represented by Kelly Smith Company, Graybar Building, New York  
Chicago, Ill.; Atlanta, Ga.; Philadelphia, Pa.; Boston, Mass.; Detroit, Mich.

## Bendix Forms Marketing Subsidiary; to Launch Several New Products

CHICAGO—Bendix Products Corporation has been organized here to market the products of the nineteen manufacturing subsidiaries of the Bendix Aviation Corporation, an affiliate of General Motors Corporation. Its biggest immediate job is to introduce a new clutch control, which is described as "plus free wheeling."

The advertising campaign for this product, just started, is one of the largest ever undertaken in the automotive field. Double-pages and pages will be used in the *Saturday Evening Post* and *Collier's*. The automotive trade field will be blanketed and the highest type of motorist publications will be used. All advertisements will be full-page or larger.

An extensive newspaper advertising campaign is to be worked out within the next few weeks. It is believed that in the newspaper campaign Bendix and the dealers will share costs.

Hundreds of thousands of pieces of direct mailing and over-the-counter advertising are being printed.

Ray Donohue, formerly with Houdaille-Hershey Corporation, has been made sales promotion manager.

Nothing has been announced regarding the marketing of the Startex, another new product, officials saying that up to now its promotion has been held in abeyance owing to the desire to get the clutch control campaign under way. This device starts the engine with a turn of the ignition key. If the engine is "killed" in traffic the Startex automatically cranks it again at once. Packard and Hudson-Essex will equip new cars with it and other manufacturers, it is expected, will follow suit. It may also be put on "old" cars at a small price.

## Brunswick Brochure Sells Dealer and Consumer

NEW YORK—A sales brochure to be used "to present our new line of radio instruments to dealers throughout the country" and then to be used by the dealers to "sell the prospective consumer," has just been introduced by Brunswick Radio Corporation, a subsidiary of Warner Brothers Pictures, Inc.

## Sears Promotes McConnell

ATLANTA—F. B. McConnell has been named assistant vice-president of Sears, Roebuck & Company, with headquarters here, supervising operations from Florida to Texas.

## Accent Chiclees

AMERICAN CHICLE COMPANY, Long Island City, New York, Chiclets, Dentyne, Bee-man's and other brands of chewing gum, to Badger & Browning & Hersey, Inc., New York City. Effective October 1.

JOSEPH TETLEY & COMPANY, New York, tea, to Paul Cornell Company there.

FIRST NATIONAL BANK, Chicago, to Lord & Thomas and Logan there.

PENNSYLVANIA REFINING COMPANY, Butler, Pennsylvania, Penn Drake motor oil, to Grestenberger Advertising, Inc., Cleveland. Radio, direct mail and business papers.

JOHN A. SALZER SEED COMPANY, La Crosse, Wisconsin, to H. W. Kastor & Sons Company, Chicago. Magazines and farm papers.

HOOKESS FASTENER COMPANY, Meadville, Pennsylvania, Talon slide fasteners, to New York office of Geyer Company, Dayton.

MULTICELLI CORPORATION, Lockport, New York, unit heating systems, automotive hot water heaters and other heating, cooling and condensing specialties, and A. G. STEVENSON CORPORATION, Rochester, novelties, both to Addison Vars, Inc., Buffalo. Magazines and publications reaching sales executives on the Stevenson account.

SIMPSON PRODUCTS COMPANY, Terre Haute, Indiana, "Doggie Dinner," to Dauchy Company, New York.

HESS WITCH HAZEL COMPANY, Brook, Indiana, to Sehl Advertising Agency, Chicago.

TRANSIT MIXERS, INC., Oakland, California, to Wilson & Bristol, Inc., New York. Trade papers.

SONOTONE CORPORATION, New York, hearing aids, to Cutajar & Provost, Inc., there. Newspapers and magazines.

VITASCOPE CORPORATION, New York, to La Porte & Austin, Inc., there.

RICHFIELD OIL CORPORATION OF NEW YORK to Paul Cornell Company, Inc., there.

SCHICK DRY SHAVER, INC., Stamford, Connecticut, bladeless, electric shaving instrument, to Lydden, Hanford & Kimball, Inc., New York.

FAIRCHILD PUBLICATIONS, New York, to Frank Presbrey Company there.

SEIBERLING RUBBER COMPANY, Akron, to Young & Rubicam, Inc., New York.

AMERICAN NICOTON CORPORATION, New York, introducing to the American market Nicorette, to United Advertising Agency, New York. Magazines, rotogravure and trade papers.

## Nash Motors Sponsors "Guest Ride Week"; Uses 1,400 Papers

KENOSHA, WIS.—A national "Guest Ride Week" will be inaugurated Sunday, August 30, by the Nash Motors Company here, through its distributors and dealers.

The event will be promoted in large space in some 1,400 daily and weekly newspapers, in illustrative direct mail material (including a "sound-proofed" booklet, dramatizing one feature of the car), in handbills and special window trims.

Several thousand of the new Nash cars have been "mobilized" for the campaign. The public will be invited to take a "sound-proofed, synchro-shift, free wheeling ride." One need not be an immediate prospect to accept.

Gasoline and oil, tires and depreciation will form an important part of the organization's investment in the week—the entire cost of which could not be estimated. Dealers have been instructed to be prepared to use as many cars as they have available and to keep them running day and night, if necessary, to accommodate the demand.

Special invitations have been prepared for the front doors of the guest cars. A broadside has been sent to distributors and dealers offering suggestions for the practical development of the plan.

## Remington Introduces Noiseless Portable

BUFFALO—The first noiseless portable typewriter was announced this week by Remington Rand, Inc., in 600-line space in newspapers of New York City, Chicago, Philadelphia and Boston. It sells at retail for \$92.50.

In the announcement Remington presented a list of fourteen of the fifteen "major improvements in typewriters" which it claims to have made—from the "first practical typewriter" (the old Remington No. 1, in 1873) to the back spacer, automatic ribbon reverse and two- and three-color ribbon mechanisms.

Notable in its absence from the list is the "first portable typewriter," which is believed to have been introduced by Corona (now L. C. Smith & Corona Typewriters, Inc.).

## Creamery Pushes Mayonnaise

CHICAGO—Blue Valley Creamery Company has added mayonnaise to its line, and is promoting it in a newspaper campaign handled by Rogers & Smith Advertising Agency here.



**—More than eleven thousand substantial retailers of radio-music products and \*allied lines—plus fourteen hundred jobbers comprise the *guaranteed* circulation of**

**Radio-Music Merchant**  
*formerly*  
**Talking Machine World**

**420 Lexington Avenue  
 New York**

\*Allied lines include Electrical Refrigerators, Electric Washing Machines, Electric Clocks, Vacuum Cleaners, Motion Picture Products, Electrical Appliances, Golf Clubs, etc., etc.



# Government in Business

BY JAMES TRUE

*Director, Washington Bureau*

WASHINGTON, D. C., August 26.—Considerable apprehension has been expressed in many quarters concerning a supposed change in plan by the Bureau of the Census regarding the reports on the Census of Distribution. This week William M. Steuart, chief of the bureau, assured SALES MANAGEMENT that the misunderstanding evidently had arisen from a recent order to his staff. This was, in effect, that the census organization must get out the essential facts on distribution and do it as soon as possible. "After publication of these essential facts," he said, "we shall go as far as the time will permit in breaking down and analyzing the figures."

**Statement for the Wholesale Census**, including the number of stores, number of employes, wage payments, sales and stocks on hand at the end of the year, will soon be published. "This bulletin for states and counties," Mr. Steuart said, "is in the printer's hands. Certainly we would not complete this compilation if we did not intend to follow it with a similar report for retail distribution. However, business men must realize that the compilation for 1,542,000 retailers necessarily requires a much longer time than the tabulation for approximately 160,000 wholesalers."

**Preliminary Reports Have Been Discontinued**, and this may have caused the misunderstanding, according to Mr. Steuart. He said that he recently told the force not to publish any more preliminary reports until the final figures are ready. "I thought," he added, "that differences in minor details would lead to misinterpretations of the data. To date, all schedules have been coded and edited and are now in the punching division. As rapidly as the cards are punched and verified they are passed to the tabulating division where as many machines as can be used on this branch of the census are fully employed. A large number of schedules have been received for the retail census, and the great amount of detail required, combined with the numerous correlations that are necessary to present the statistics in a manner desired by the trade, necessarily delays publication of the reports."

**Retail Census Reports** down to counties, giving all totals, Mr. Steuart says, are assured. In many instances they will not be as complete as the city reports; but they will fulfill all promises made by the bureau. According to Mr. Steuart, the bureau now hopes to publish all of the figures on retail distribution within the next three or four months. (All of this sounds encouraging, but the time factor is still "hazy," to say the least, and SALES MANAGEMENT's effort to obtain a formal commitment from Mr. Steuart in this regard proved unavailing.—Editor's Note.)

**The Campaign for Postage Increase** has been launched by the Post Office administration. On September first an increase on letters and post cards to Canada and Newfoundland will go into effect; letters will require three

cents an ounce or fraction, and post cards, both single and double, will be increased 100 per cent. On the same date the rates to Great Britain, Northern Ireland and the Irish Free State will be increased to five cents per ounce on letters, with additional ounces at the rate of three cents, and three cents on single post cards.

Despite the unfortunate results of past postal increases, all of which have given Congress the encouragement to spend more money on salaries in the service, the administration seems determined to boost the domestic rate on one or more classifications. Again during the next session of Congress, the postal department will introduce a bill for the increase of first-class and probably one or two other classes of mail; but we do not think that these increases will be authorized. Postal employes are being encouraged to boost for the higher rates through fear of having their salaries reduced. Recently, Postmaster General Brown told rural carriers in convention that a reduction of wages is the only possible solution of the postal deficit, unless postage rates are increased.

**Roadside Advertising** in the Washington territory has been greatly improved in appearance as a result of the anti-billboard law which was passed by the Maryland Legislature. The State Roads Commission recently reported that 21,250 illegal and obsolete signs had been removed from Maryland's highways. The signs removed are "snipe signs" and represent the worst type of highway defacement, according to the commission. There are still more than 7,000 signs on Maryland's highways, all of the better type, which are licensed. These signs bear permits, and to date 3,790 permits have been issued to persons or concerns advertising their own products, and 3,462 to concerns engaged in the advertising business. Outdoor advertising companies maintaining more than fifty signs are required to obtain an annual business license costing \$200. Those maintaining fewer than fifty signs pay \$50 for a license.

**Schemes to Aid Business** are reaching Washington by the thousand. All departments are flooded with them, and those that have any value whatever are merely duplications of plans that have been under consideration for many months. Most of these schemes are based on the same idea, and begin by urging the government to pass a law requiring the banks to lend money to individuals and companies. In their correspondence, many government officials are warning business men not to accept any plan or scheme that promises exceptional results. Numerous so-called experts, some of them with apparently impressive background, are promoting schemes that cannot possibly work out profitably.

**Agricultural Life-Saving Schemes**, of which Governor Long's "whoopie plan" is typical, are likewise considered as impossible expedients. While publicity in large volume is created by such plans, they are looked upon here merely as gestures for propaganda purposes. The farmers of the south cannot plow under every third row of cotton for the reason that, in the majority of cases the cotton does not belong to the farmers.

## An Analysis of 1930 Population Figures for Nashville and Surrounding Territory Compared with 1920

The tabulations and analysis presented in this series are original with SALES MANAGEMENT and are copyrighted. Reproduction, except by permission, is forbidden.

Cities	Miles from Nashville	Population 1920	Population 1930	Per Cent Gain or Loss	Counties	Population 1920	Population 1930	Per Cent Gain or Loss	All Spendable Money Income 1929 (000 Omitted)	Per Capita Spendable Income
Nashville	..	118,342	153,866	30.0	Davidson	167,815	222,854	32.8	\$188,778	\$849
** Tullahoma	69.4	3,479	4,023	15.6	Coffee	17,344	16,801	-3.1	4,228	252
** Pulaski	80.0	2,780	3,367	21.1	Giles	30,948	28,016	-9.5	6,670	238
** Fayetteville	84.0	3,629	3,822	5.3	Lincoln	25,786	25,422	-1.4	6,344	253
** Columbia	46.0	5,526	7,882	42.6	Maury	35,403	34,016	-3.9	11,152	351
** Clarksville	48.0	8,110	9,242	13.9	Montgomery	32,265	30,882	-4.3	10,800	350
** Murfreesboro	31.7	5,367	7,993	48.9	Rutherford	33,059	32,286	-2.3	10,156	315
** Franklin	19.0	3,123	3,377	8.1	Williamson	23,409	22,845	-2.4	7,280	325
** Lebanon	31.0	4,084	4,659	14.1	Wilson	26,241	23,929	-8.8	6,528	266
***					Bedford	21,737	21,077	-3.0	5,331	253
***					Benton	12,046	11,237	-6.7	2,118	188
***					Cannon	10,241	8,935	-12.8	1,597	179
***					Cheatham	10,039	9,025	-10.1	2,184	242
***					Clay	9,139	9,577	4.2	1,210	126
***					Decatur	10,198	10,106	-0.9	2,365	234
***					DeKalb	15,370	14,213	-7.5	2,457	172
*** Dickson	40.0	2,263	2,902	28.3	Dickson	19,342	18,491	-4.4	4,450	241
*** Winchester	..	2,203	2,210	0.3	Franklin	20,641	21,796	5.6	5,968	274
***					Grundey	9,753	9,717	-0.4	1,473	152
***					Henry	27,151	26,432	-2.6	8,935	338
***					Hickman	16,216	13,613	-16.1	2,647	194
***					Houston	6,212	5,555	-10.6	957	172
***					Humphreys	13,482	12,039	-10.7	3,012	250
***					Jackson	14,955	13,589	-9.1	2,089	154
*** Lawrenceburg	..	2,461	3,102	26.0	Lawrence	23,593	26,776	13.5	5,615	211
***					Lewis	5,707	5,258	-7.9	805	153
***					Macon	14,922	13,872	-7.0	2,002	145
***					Moore	4,491	4,037	-10.1	685	170
***					Perry	7,765	7,147	-8.0	1,514	212
*** Cookeville	74.0	2,395	3,738	35.9	Putnam	22,231	23,759	6.9	4,435	187
*** Springfield	17.0	3,860	5,577	44.4	Robertson	25,621	28,191	10.0	9,962	353
***					Smith	17,134	15,473	-9.7	3,560	230
***					Stewart	14,664	13,278	-9.5	2,684	202
*** Galatin	27.0	2,757	3,050	11.8	Sumner	27,708	28,622	3.3	6,853	239
***					Trousdale	5,996	5,629	-6.1	2,627	460
***					Van Buren	2,624	3,516	34.0	310	88
*** McMinnville	69.5	2,814	3,914	39.1	Warren	17,306	20,209	16.8	3,801	206
***					Wayne	12,877	12,134	-5.8	1,848	152
*** Sparta, Ky.	..	1,517	2,211	45.7	White	15,701	15,543	-1.0	2,882	185
***					Allen, Ky.	16,761	15,180	-9.4	2,806	185
***					Barren, Ky.	25,356	25,844	1.9	5,672	219
***					Butler, Ky.	15,197	12,620	-17.0	2,053	163
*** Murray, Ky.	..	2,415	2,891	19.7	Calloway, Ky.	20,802	17,662	-15.1	3,936	223
*** Hopkinsville, Ky.	72.0	9,696	10,746	10.8	Christian, Ky.	35,883	34,283	-4.5	11,179	310
***					Edmondson, Ky.	10,894	11,475	5.3	1,536	134
*** Russellville, Ky.	..	3,124	3,297	5.5	Logan, Ky.	23,633	21,875	-7.4	6,241	295
***					Monroe, Ky.	14,214	13,077	-8.0	1,853	142
*** Central City, Ky.	..	3,108	4,321	39.0	Muhlenberg, Ky.	33,353	37,784	13.3	7,367	194
*** Greenville, Ky.	..	1,917	2,451	27.8	See above					
***					Todd, Ky.	15,694	13,520	-13.9	3,519	260
***					Trigg, Ky.	14,208	12,531	-11.8	2,804	224
*** Franklin, Ky.	..	3,154	3,056	-3.1	Simpson, Ky.	11,150	11,336	1.7	2,782	245
*** Bowling Green, Ky.	73.0	9,638	12,348	28.1	Warren, Ky.	30,858	33,676	9.1	11,313	336
*** Mt. Pleasant, Tenn.	..	2,093	2,010	-4.0	Maury	See above				
***					Marshall, Ky.	17,375	15,574	-10.4	4,401	286
***					Overton, Ky.	17,617	18,079	2.6	2,469	136
TOTAL FOR AREA						1,150,127	1,160,413	2.67	\$418,243	\$360

\*\*\* Eight largest cities within the trading area (A. B. C.).  
 \*\*\* Other cities and/or counties over 2,000 population within the trading area (A. B. C.).  
 "Miles from Nashville" figures are from the Official Guide of the Railways.

## Media

Whatever records there may be in the annals of business paper publishing on the subject of grand-scale advertising either tottered or crashed this month when the *Boot and Shoe Recorder* went to subscribers carrying a thirty-two page insert in two colors by the Dewey & Almy Chemical Company, makers of Darex shoe products. The insert represents both an unusually smart piece of merchandising and an unusually fine expression of courage on the part of its sponsors. Its title is "The

Darex Style Portfolio, Fall, 1931." Each of twenty-eight pages pictures a specially selected model of shoe made by some leading shoe manufacturer. All, of course, embody Darex materials. "The shoes shown here" (the copy says) "have been praised by stylists and by prominent shoe designers. You will see them featured in well-known national magazines this fall. All of them deserve the careful attention of retailers who wish to increase the prestige of their line and add to their sales and profits."

\* \* \*

The *Business Week* created something of a sensation by currently increasing advertising rates 25 per cent. It now develops that important buyers of advertising were consulted on quality versus quantity circulation, as well as per capita of purchasing power, the result being that B. W.

accepts subscriptions only from officers and directors of concerns rated at \$75,000 or over. This group, according to a Starch study, represents 80 per cent of the purchasing capacity of American business. Hence the *Business Week's* policy is in fact based upon asking advertisers to pay more of the subscription-getting cost in order to get more per reader and upon the further principle that recent concentration of industry and of buying authority raises the value of each executive reader.

\* \* \*

Page Browne has joined the Boston office of the *American Weekly* as advertising representative in the New England states. He was formerly sales manager of the Waltham Watch Company and previous to that spent a number of years with the *Saturday Evening Post* in New England.

# Editorials

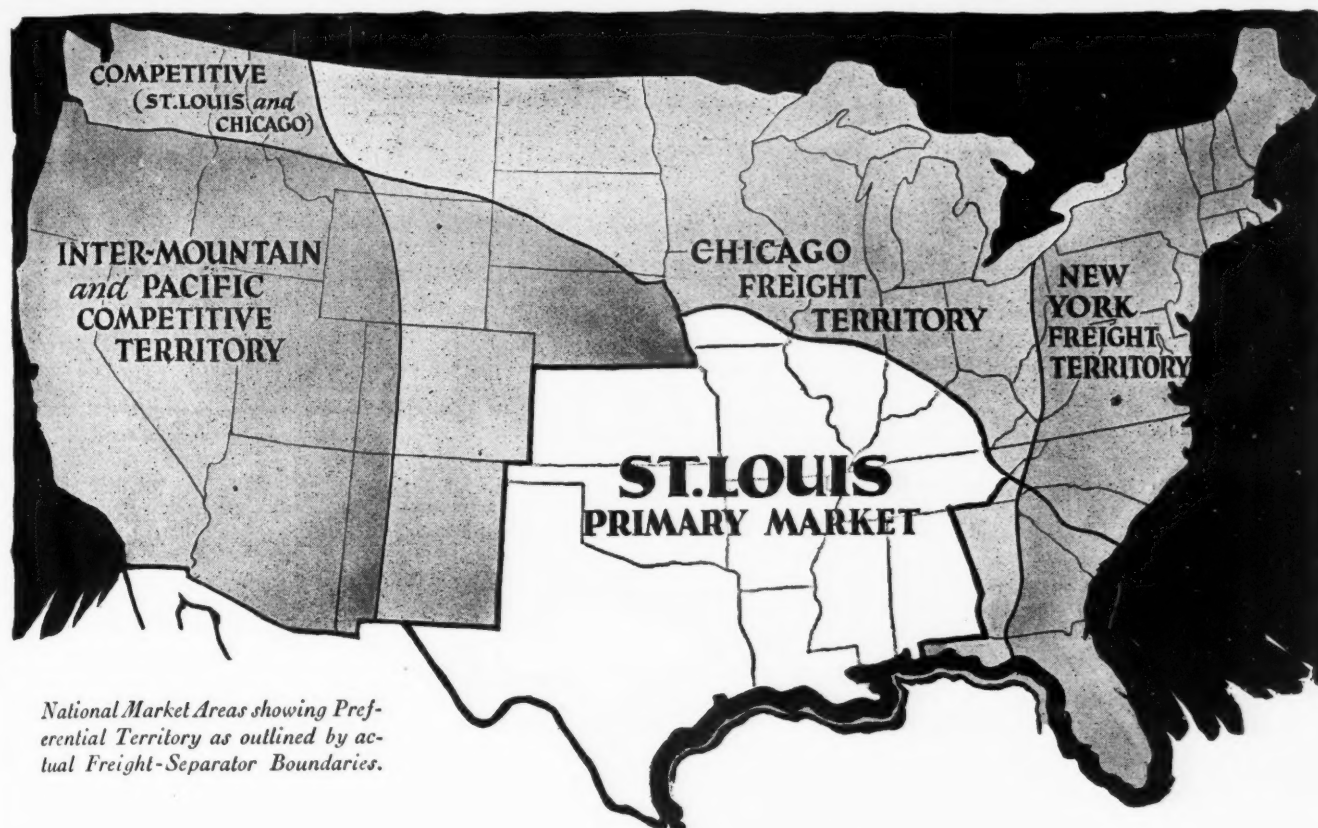
**TRASH PRICES:** The demand for low prices, inevitable sequel to deflation of prices, runs the risk of inducing distributors to encourage a craze for bargains which cannot but prove to be unsettling. The movement towards lower levels began in orderly fashion in obedience to economic forces beyond human control. The first tendency was to resist it in the belief that the relapse was temporary and might at any time be interrupted by a sharp rally. This refusal to accept the inescapable, however natural, did not help the situation, because it retarded the necessary work of readjustment to new conditions. But with final recognition that the order of more than a decade ago had been reestablished came temptation to excesses in price-cutting, the effect of which can be only injurious. . . . The object was of course to attract attention by sensational reductions—reductions not warranted by anything in the economic situation. The result, as might have been expected, was to throw upon the market large quantities of merchandise of the lowest quality. This has tended to cast suspicion on all sorts of goods from sources that are not well known. To standard merchandise the repercussions of this orgy should be beneficial. Most of them have resisted the downward price rush to the extent at least of yielding with comparative slowness. These producers have waited for the reaction that is now likely to set in. . . . But while their position may be enviable, the confusion brought about by the highly stimulated demand for cheapness is not good for business in general, and the sooner sales promotion turns strongly to the job of reawakening public interest in quality and good value the better for all concerned. After abnormally high prices an era of low prices is foreordained. This does not mean that we must submit to trash prices.

**SMALL BUYERS DOING WELL:** Contrary to prevailing opinion, there is good support for the belief that buyers for small organizations are getting along better these days than usual. At a time when much is heard about price concessions made on behalf of large volume orders, it is natural to suppose that those whose operations are relatively modest suffer under a serious disadvantage. As a matter of fact, however, this need not be the case. Producers are just as anxious to fill small orders as large ones. Most of them would rather have many small orders than one large order of equal sum. For this reason they treat the small buyers equally well, provided—and this is a rather amusing development—the small buyer keeps his mouth shut. As long as he lives up to his part of the bargain and minds his own business

he can get as good terms as anyone else. . . . This condition of affairs is not entirely new. To some extent shrewd traders on a limited scale have always done fairly well in spite of all that has been said about confidential discounts to very big distributors. More general extension of the practice has come from the attempt of producers to force sales by offering net prices for great volume which threw them off their economic balance. The reaction has been in favor of the merchant whose frequent steady orders afford the soundest basis for continued activity on a rational basis. No statute or regulatory measure is half so effective in keeping business on a solid footing as economic law. Whoever transgresses it is bound to come to grief, or else to learn from the punishment it inflicts for disobedience the wisdom of following its dictates.

**STRIKING CONTRAST:** A fact of no small significance to business in general is the comparative success of what Wall Street calls the merchandising companies. These are, generally speaking, the chain-store corporations whose securities are bought and sold in public markets. A recent compilation shows that forty chains sold \$306,635,137 worth of goods in July, only 2.6 per cent less than they sold in July, 1930, and that in the first seven months of the year their combined volume—\$2,148,035,458—shrank no more than 3.8 per cent. These figures, it is to be remembered, are of dollar sales. Making allowance for the price decline in that period, it is obvious that the amount of goods disposed of was far greater this year than last year. . . . On the operating side the case is even more striking. Earning reports of twenty-four of these companies covering the first half of this year reveal the astonishing fact that net profit—amounting to \$20,672,701—increased no less than 14 per cent. Remarkable in itself, this achievement becomes sensational when compared with the fact that 335 typical industrial companies suffered a decrease in net income during the same period of 48 per cent—from \$631,730,000 in 1930 to \$329,095,000 in 1931. . . . The explanation can hardly be ascribed to superior advantages enjoyed by the chains, for while they may have gained some new customers because of their price appeal in a time of thrifty buying, there is no evidence that retail distributors as a body have suffered unduly this year from chain-store competition. The most obvious explanation of the phenomenon seems to be that retailers, enjoying great flexibility both as buyers and sellers, have been able to adjust their operations to the changing conditions without costly delays.





National Market Areas showing Preferential Territory as outlined by actual Freight-Separator Boundaries.

# Distribute for Profit

## — not for volume

STRICTLY speaking, there are only three major national distributing centers—New York, Chicago and St. Louis.

Each has its definitely limited territory—its profitable trading limits fixed by freight-separator lines. You cannot afford to ignore these divisions, because they mark the boundaries within which internal distribution can be effected *at a profit*. Pass them, and all you gain is volume.

★ ★ ★

St. Louis controls the Southwest territory as strategically as New York dominates the Atlantic Seaboard, or Chicago the Great Lakes and Northwestern country. You cannot profitably cover this south-central section from any other point than St. Louis because the distances are too great and the costs too high.

But you can, as a Manufacturer or Distributor, blanket this territory from St. Louis, because its travel-lines, its freight-service and its buying customs all lead *to and from* St. Louis.

See what this third market center directly serves:

- practically 1/4 the nation
- 29,690,000 people
- a rapidly developing territory
- a competitive Far-Western market.

If you are trying to cover St. Louis' natural territory from outside its area, you are attempting what is now competitively impractical and will soon become practically impossible. Why do it when you could so advantageously command this district from its own business center?

★ ★ ★

In these hard-bitten times shrewd business is thinking in terms of *intensive*, rather than extensive coverage. Volume of itself means little; profit, everything. Let us show you by facts and figures how from St. Louis you could get the volume and keep the profit, too. Write the Industrial Bureau of the Industrial Club, 507 Locust Street, St. Louis, Mo.

# St. Louis

## THIRD DISTRIBUTION CENTER

## 1-3 of One Per Cent Does 33 Per Cent!

One single concern — the Einson-Freeman Co., Inc. — out of the 309 lithographic establishments in the United States listed by the last census —

Or about 1/3 of one per cent — was responsible for 29 out of 88 —

Or 33 PER CENT of all the Window Displays that achieved a dominant rating in the tabulations of July Window Displays in Forty-three Cities, which appeared on page 289 of SALES MANAGEMENT for August 22.

These 33 displays had dominance in 344 city-showings out of a grand total of 831.

There IS a reason.

An Einson-Freeman representative will be pleased to discuss it, and your window and store advertising problems, if you write, or call them at Starr & Borden Avenues, Long Island City.

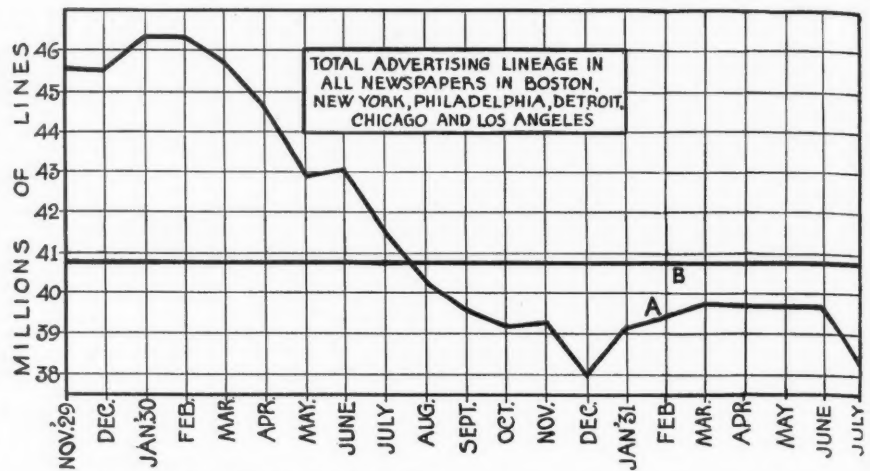
"An Address of Distinction"



**Greater Value  
... Too**

LIGHT, airy and spacious rooms, luxuriously appointed . . . tempting foods. Overlooking the quiet shores of Lake Michigan . . . quickly accessible to vacation pleasures and business activities. Value-for-your-money in every detail of service. Rates begin at \$4 a day. Permanent Suites at Special Discounts.

**THE  
DRAKE  
HOTEL, CHICAGO**  
Under Blackstone Management



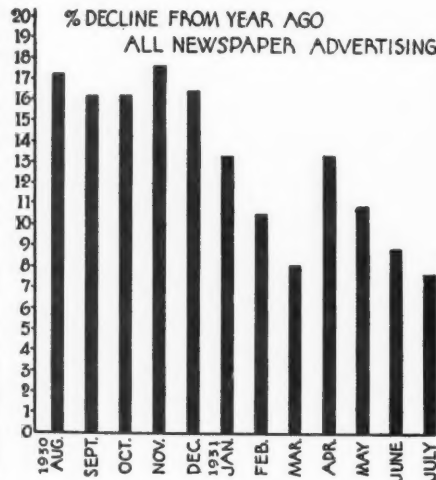
Line A: Six months' moving average.

Line B: Arithmetical average, June, 1929, through July, 1931.

## Newspaper Lineage Deficit Pruned Still Further in July

Our barometer of newspaper advertising in the six largest cities took its summer dip, along with the stock market, commodity prices, the index of industrial production and what not. Nevertheless, it remains above the low point reached in December.

Of greater significance, perhaps, is the steady whittling down of the decline. Last fall the declines each month were averaging more than 16 per cent, but the trend in recent months is toward narrowing the gap, and the July figures, covering 355 newspapers in ninety-two cities, show a decline of only 7.7 per cent. The chart which follows tells the story.



Retail lineage declined only 2 per cent as against 7.7 last month; general declined 6.4 as compared with 7.7; automotive 14.9 against 16.7; financial 29.2 against 34.8; classified 9.7 against 13.5; legal advertising actually showed a gain of 1.1 (this may or may not be a plus sign; skeptics will say that the gain came through increase in foreclosure notices).

Gains were shown in twenty-one cities, as against only eight last month. Lineage figures as shown below were compiled by Media Records, Inc., supplemented in cities marked (\*) by publishers co-operating with the SALES MANAGEMENT staff.

City	1931	1930	Per Cent Change
Akron	1,679,254	1,992,789	-15.7
Albany	1,967,202	2,093,562	-6.0
Albuquerque	848,191	891,771	-4.9
Atlanta	1,994,434	2,143,247	-6.9
Baltimore	3,150,168	3,207,245	-1.8
Boston	4,358,599	4,567,326	-4.6
Birmingham	1,652,836	1,900,794	-13.0
Buffalo	1,978,389	2,114,518	-6.4
Camden	681,493	719,203	-5.2
Charlotte*	1,103,710	1,268,005	-12.9
Chattanooga*	958,076	1,010,339	-5.2
Chicago	4,417,110	5,017,584	-12.0
Cincinnati	2,333,459	2,671,843	-12.7
Cleveland	2,715,223	2,706,523	+ .3
Columbus	2,185,304	2,351,211	-7.1
Dallas	2,361,332	2,564,165	-7.9
Denver	1,520,861	1,587,857	-4.2
Dayton	2,052,872	2,157,650	-4.9
Des Moines*	1,138,068	1,321,866	-13.9
Detroit	2,818,331	3,563,889	-20.9
Easton	659,797	676,487	-2.5
Elizabeth*	694,582	764,834	-9.2
El Paso	1,017,485	1,269,650	-19.9
Erie	1,036,502	1,120,984	-7.5
Evansville	1,281,022	1,360,978	-5.9
Fall River	500,008	491,294	+ 1.8
Fort Worth	1,315,524	1,580,174	-16.7
Freeport	545,770	618,327	-11.7
Glens Falls	447,793	437,554	+ 2.3
Harrisburg	908,025	942,743	-3.8
Hartford	1,825,057	1,977,395	-7.7
Houston	2,512,397	2,558,879	-1.8
Indianapolis	2,137,950	2,250,887	-5.0
Jacksonville	1,418,453	1,353,343	+ 4.8
Janesville*	406,480	459,406	-11.5
Kansas City*	2,353,019	2,590,194	-11.8
Knoxville	1,031,441	1,201,453	-14.2
Los Angeles	4,751,459	4,932,552	-3.7
Long Beach*	1,364,104	1,320,242	+ 3.3
Mamaroneck	160,793	158,381	+ 1.5
Manchester	423,488	430,390	-1.6
Memphis	1,780,370	2,130,730	-16.4
Miami*	925,407	873,748	+ 5.9
Milwaukee	2,340,527	2,193,266	+ 6.7
Minneapolis	2,148,188	2,286,878	-6.1
Mt. Vernon	580,586	613,145	-5.3
Nashville	1,009,734	1,049,798	-3.8
New Bedford	873,629	804,020	+ 8.7
New Orleans	2,619,862	2,711,980	-3.4
New Rochelle	465,254	450,306	+ 3.3
New York**	9,103,197	9,080,849	+ .3
Newark*	1,257,210	1,306,097	-3.7
Niagara Falls	597,900	604,636	-1.1
Norfolk*	1,500,030	1,504,622	-.3
Oakland	1,747,000	1,875,501	-6.9
Oklahoma City	1,704,805	1,971,445	-13.5
Omaha	1,431,264	1,402,199	+ 2.1
Ossining	210,423	190,506	+ 10.5
Perth Amboy	425,255	409,065	+ 4.0
Philadelphia	4,439,022	4,781,875	-7.2
Phoenix	1,099,961	1,165,037	-5.6
Pittsburgh	3,046,881	3,080,315	-1.1
Port Chester	404,043	391,335	+ 3.2
Portland	1,915,392	2,515,108	-23.8
Providence	1,960,674	2,151,315	-8.9
Reading	1,265,452	1,162,558	+ 8.9
Richmond	1,510,606	1,517,386	-.4

\*\*Figures furnished by Advertising Records, Inc. Bronx Home News figures furnished directly by publisher. Morning World (1930) excluded in New York.



Rochester	2,662,857	2,582,283	+ 3.1
Salt Lake City	1,567,704	1,617,932	- 3.1
San Antonio	2,154,076	2,322,707	- 7.3
San Diego	2,264,692	2,352,894	- 3.7
San Francisco	3,335,088	3,495,221	- 4.6
Seattle	2,183,799	2,471,837	-11.7
South Bend	1,217,386	1,429,143	-14.8
Spokane	1,466,389	1,641,118	-10.6
Springfield, Mass.*	1,223,124	1,294,076	- 5.5
St. Louis	2,518,349	2,805,920	-10.2
Syracuse	1,898,578	2,017,812	- 5.9
Tacoma	1,375,954	1,543,404	-10.8
Tampa*	808,668	847,532	- 4.6
Tarrytown	307,756	310,764	- 1.0
Toledo	1,617,073	1,835,574	-11.9
Topeka*	818,559	968,737	-15.5
Trenton	734,101	709,271	+ 3.1
Tulsa	1,294,200	1,597,914	-19.0
Washington	3,483,132	3,263,329	+ 6.7
White Plains	945,017	1,051,216	-10.1
Wichita	1,645,706	1,971,681	-16.5
Wilkes-Barre	2,396,242	2,186,785	+ 9.6
Winston-Salem	392,945	436,259	- 9.9
Worcester	1,705,100	1,846,426	- 7.7
Yonkers	734,254	716,279	+ 2.5
Youngstown	1,311,769	1,409,323	- 6.9

Total . . . . .154,415,929 167,301,681 - 7.7

## China Can Convert Our Overproduction into Wealth

(Continued from page 309)

work requiring a minimum of material and a maximum of labor. That the estimated cost be advanced by this country in the form of

(a) Foodstuffs, principally wheat. (The theory that Chinese cannot become wheat eaters is nonsense);

(b) Cotton goods (the masses of China wear coarse cotton clothing summer and winter);

(c) Silver bullion;

(d) A gold credit (a minor part of the total to be used only to purchase necessary tools and materials not available in China).

All of the above to be tabulated at fair rates into a gold dollar total.

3. For the above there would be issued long-term gold notes by the tax district, the revenue from the facilities constructed and land taxes to be applied to the payment of the principal and interest of the gold notes. The gold notes of each tax district would be in turn

(a) Guaranteed by the provincial government of the province in which the taxed district was located.

(b) Guaranteed by the Nationalist Chinese government.

(c) *Guaranteed by one or another of the European nations now indebted to the United States and to the amount of such guarantee such European nations to have canceled by the United States an equal amount of such nation's indebtedness to this country.*

Each debtor nation would have allotted to it a number of districts proportionate to its indebtedness to the United States, and while all expenditures would be approved and supervised by the United States, the actual work of construction in any district would be carried on under engineers of the European nation guaranteeing the bonds of that district.

## New Ideas—The Lifeblood of Marketing Plan

(Continued from page 307)

year I was asked to address an audience of manufacturers and others, and I chose price standards as my subject. I wrote out my talk, afterward committing most of it to memory.

"Some time later one of the largest mass distributors in the country wrote us for a quotation on a quantity of our goods. It was a very large order, and I immediately went to see the buyer.

"At once he informed me that his company would have to have an extra discount because of the quantity, and I asked him whether the company was in business to make discounts or profits. Then I gave him most of my speech on price standards, and explained why my company never has and never will make a price concession of any kind for any reason. I proved to him that his company would make a profit on our products, and he not only gave me the order but agreed not to resell our goods in a manner that would tend to demoralize our established distribution.

"Many similar experiences have convinced us that the importance of price is vastly overrated, and that a more important factor in selling is the assurance to the buyer that he is sold equitably and can realize a profit on the merchandise. In all but a very few cases we have found mass distributors willing to cooperate with us when they are convinced that we are not giving secret or other discounts to their competitors. In fact, every detail of our experience increases our conviction that an equitable and invariable price policy is essential to sound business growth."

In the management of eighteen salesmen, Mr. Lebherz finds that the same principle holds good. The motive of the company is to encourage its men to make money. The salesmen are paid straight commissions, and some of them sell other goods. In practically all territories the company could sell more goods by employing more men; but the salesmen would make less, and the conclusion is that it is a better policy for the future to sacrifice some volume to make the Everedy specialties more attractive financially to the salesmen.

In controlling a sales force on this basis, Mr. Lebherz is sure that management, and not the manner of payment, is the more important. He concludes that since the salesman's primary purpose is to make money, you can readily induce the salesman to accomplish anything reasonable that will increase or assure his earnings.



SKY-BLUE  
PINK

LAMP SHADES

**O**UR Head Housekeeper has a remarkable memory! And a most remarkable file of records. Records of all the little pet likes and dislikes expressed by our guests. Suppose, for instance, you happen to tell your spouse at dinner that you just love sky-blue pink lampshades. With all due respects to Hubby, he probably won't write feverishly on his cuff: "Wife likes sky-blue pink lampshades." Whereas, if we should happen to overhear you, we undoubtedly *would* do just that. And the next time you visited us, Madam, there'd be nothing *but* sky-blue pink lampshades in your room—even if our housekeeping department had to make them especially for you.

**The ROOSEVELT**

Madison Avenue at 45th Street, New York  
Edward Clinton Fogg—Managing Director





In February of last year, for instance, when the company's volume began to slump, a bonus plan that had been under consideration for some time was put into practice. A 2 per cent bonus was offered the salesmen who made a certain percentage of increase in volume, and 3 per cent was offered for larger increases. Furthermore, new designs were given the men. The sales force responded by giving the company a material increase in both volume and profits for the year.

"From the viewpoint of business management," Mr. Leberherz explained, "the straight commission proposition has the advantage of defining and limiting the principal cost of selling. When we started out it was necessary for us to employ salesmen who also handled other lines, and we have retained a number of them because their work is satisfactory. When we added others to the sales force it was natural for us to pay them on the same basis.

"I do not mean to say that this method is best for all lines; but for a line of specialties such as ours, when intelligent and ambitious salesmen are employed, it is best according to our experience. I am sure we could not have made more progress with any other system of payment.

"Effectiveness of sales work depends more on a complete and basic understanding between management and the sales force, and on the way the men are managed, than on anything else, in our opinion. Our men understand that they are, in a way, partners in our business, and that their financial success depends largely on their own ability and effort. They know that the more money they make the better we shall appreciate their work. They also know that all of our advertising and merchandising is created with their interests in view.

"In training our men we advise them of everything we do that is related to their interests, and we emphasize the fact that success is the result, not of large orders and forcing our goods on distributors, but of a steady flow of our specialties through our channel. We refuse to ship orders that are too large for distributors to turn at a profit, and our men know it. And they realize, also, that it is to their interest to make every order they sell tend to build up future business.

"Another method of our sales management is to equip our men with information sufficient and important enough to make them authorities on the subject of the distribution of hardware specialties. We write our men comparatively few letters; but every letter is important, and we furnish

them with facts that can be used profitably by their customers.

"For instance, not long ago a political rumor swept the country that had a depressing effect on a large part of our business. Wholesalers began to put off placing orders to see what was going to happen, and the result was discouraging.

"From a reliable and well-known source of information in Washington we learned there was absolutely no truth in the rumor, and why. We immediately quoted this source in a general letter to our salesmen, and in a few days our volume was coming in at the regular rate of increase.

"In many instances we have handled depressing influences in the same way. However, I believe a great many manufacturers are making the mistake of attempting to solve problems of various kinds with methods. If I have appeared to discuss too many subjects during this interview it is because I have not emphasized sufficiently the basic idea that binds together everything I have said, and that idea is the establishment of business on sound principles rather than on methods of any kind. If the principles are right,

the methods will take care of themselves.

"And to our way of thinking, sound principles include, first, an invariable and equitable merchandising policy; and, second, the determination to produce merchandise that is profitable and satisfactory to distributors, retailers, our salesmen, ourselves and the public."

## More Plus Signs

(Overflow from page 311)

+++ EARNINGS FOR THE FOUR BIGGEST DEPARTMENT STORES controlled by Federated Department Stores, Inc. (Abraham & Strauss, Inc., Brooklyn; William Filene's Sons, Boston; F. & R. Lazarus & Company, Columbus; Bloomingdale Brothers, New York) were 25 per cent ahead of last year for the first five months.

+++ EMPLOYEES OF LIBBEY-OWEN GLASS COMPANY and National Fireproofing Company, both of Ottawa, Illinois, went back to work Monday of this week. Operations on a full-time basis for the first time in eighteen months were begun August 18 at the Wachusett Shirt Company and the Cluett Peabody Company plants in Leominster, Massachusetts, two of the largest shirt manufacturers in New England.

## Personal Service and Supplies

Classified Rates: 50c a line of seven words; minimum \$3.00. No display Cash Basis Only. Remittance Must Accompany Order

### SALES PROMOTION

\$50 to \$50,000 DAILY SALES SECURED FROM our clients. This distributor took on a new specialty, retailing at \$60. His first purchase \$12. We submitted a sales program capable of national expansion. Within four years his sales were nationwide, running to \$100,000 monthly. 35 years salesmanship-in-print experience back of our campaigns. Submit sales problems for free diagnosis, 10 years Sales Promotion Manager, Larkin Co. James C. Johnson, 119 Woodbridge Ave., Buffalo, N. Y.

### EXECUTIVES WANTED

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### WANTED

capable, well established and introduced

### COMMISSION AGENTS

for selling and advertising letter opener. Applicants willing to work intensely, and having good references are invited to write in German full particulars, and to send proofs of their former sales results to F. M. 4265, c/o Ala., Haasen-stein & Vogler, Frankfurt/Main (Germany).

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